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Royal Philips

Third Quarter 2013
Information booklet

October 21st, 2013

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Important information

Forward-looking statements

This document and the related oral presentation, including responses to questions following the presentation, contain certain forward-looking statements with respect to the financial condition, results of operations and business of Philips and certain of the plans and objectives of Philips with respect to these items. Examples of forward-looking statements include statements made about our strategy, estimates of sales growth, future EBITA and future developments in our organic business. By their nature, these statements involve risk and uncertainty because they relate to future events and circumstances and there are many factors that could cause actual results and developments to differ materially from those expressed or implied by these statements.
These factors include, but are not limited to, domestic and global economic and business conditions, developments within the euro zone, the successful implementation of our strategy and our ability to realize the benefits of this strategy, our ability to develop and market new products, changes in legislation, legal claims, changes in exchange and interest rates, changes in tax rates, pension costs and actuarial assumptions, raw materials and employee costs, our ability to identify and complete successful acquisitions and to integrate those acquisitions into our business, our ability to successfully exit certain businesses or restructure our operations, the rate of technological changes, political, economic and other developments in countries where Philips operates, industry consolidation and competition. As a result, Philips' actual future results may differ materially from the plans, goals and expectations set forth in such forward-looking statements. For a discussion of factors that could cause future results to differ from such forward-looking statements, see the Risk management chapter included in our Annual Report 2012 and the "Risk and uncertainties" section in our semi-annual financial report for the six months ended July 1, 2013.

Third-party market share data

Statements regarding market share, including those regarding Philips' competitive position, contained in this document are based on outside sources such as specialized research institutes, industry and dealer panels in combination with management estimates. Where information is not yet available to Philips, those statements may also be based on estimates and projections prepared by outside sources or management. Rankings are based on sales unless otherwise stated.

Use of non-GAAP Information

In presenting and discussing the Philips Group financial position, operating results and cash flows, management uses certain non-GAAP financial measures. These non-GAAP financial measures should not be viewed in isolation as alternatives to the equivalent IFRS measures and should be used in conjunction with the most directly comparable IFRS measures. A reconciliation of such measures to the most directly comparable IFRS measures is contained in our Annual Report 2012. Further information on non-GAAP measures can be found in our Annual Report 2012.

Use of fair-value measurements

In presenting the Philips Group's financial position, fair values are used for the measurement of various items in accordance with the applicable accounting standards. These fair values are based on market prices, where available, and are obtained from sources that are deemed to be reliable. Readers are cautioned that these values are subject to changes over time and are only valid at the balance sheet date. When quoted prices do not exist, we estimated the fair values using appropriate valuation models, and when observable market data are not available, we used unobservable inputs. They require management to make significant assumptions with respect to future developments, which are inherently uncertain and may therefore deviate from actual developments. Critical assumptions used are disclosed in our 2012 financial statements. Independent valuations may have been obtained to support management's determination of fair values.

All amounts in millions of euro's unless otherwise stated; data included are unaudited. Financial reporting is in accordance with the accounting policies as stated in the Annual Report 2012, unless otherwise stated.

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Agenda

1. Management update
2. Group results Q3 2013
3. Accelerate! Change and performance
4. Philips Business System and Path-to-Value
5. Group and sector overview

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Management update Q3 2013: Group

Sales & order intake	• Comparable sales increased by 3% year-on-year to reach EUR 5.6 billion • Comparable sales growth was 9% in Consumer Lifestyle and 3% in Lighting • Healthcare comparable sales were flat, equipment order intake declined by 2% • Comparable sales in growth geographies up 10%
EBITA & Adjusted EBITA[1]	• EBITA amounted to EUR 562 million, 10.0% of sales and included a loss of EUR 31 million caused by an increase in the discount rate related to a settlement of the lump sum offering to former employees enrolled in our US pension plan. Q3 2012 EBITA was 6.3% • Adjusted EBITA improved by 33% to EUR 634 million, 11.3% of sales, from 8.2% in Q3 2012, driven by gross margin and cost improvements in all sectors
Cost savings & Net Income	• Total gross overhead cost savings ahead of plan, EUR 856 million to date • Net income was EUR 281 million, up by EUR 176 million compared to Q3 2012
Asset management & ROIC	• Inventories as a % of sales improved by 0.4 percentage points to 16.5% • ROIC excl. the CRT fine[2] improved to 10.7%, from 7.2% in Q3 2012 • Free Cash Flow was an inflow of EUR 117 million compared to an inflow of EUR 410 million in Q3 2012
Others	• New share buyback program of EUR 1.5 billion starts on October 21st 2013. Program to be completed in two to three years

Improved earnings in all sectors; growth geographies drive sales increase

[1] Adjusted EBITA in Q3 2013 excludes restructuring and other charges of EUR 72 million

[2] European Commission fine related to Cathode-Ray Tubes, a business divested by Philips in 2011. Philips has appealed the decision. Charges were taken in Q4 2012

Note - Prior-period financials revised for discontinued operations, the adoption of IAS19R and for restatements included in the Annual Report 2012 (please refer to the Annual Report section 12.10 “Significant Accounting Policies”)

Management update Q3 2013: Healthcare

Order intake (OIT)	• Currency-comparable equipment order intake declined by 2%. China and India increased by double-digits • The launch of EPIQ impacted the OIT in July and August, and Q3 2012 had large and multi-year deals, excluding which OIT grew by low-single-digit • Imaging Systems equipment orders grew by low-single-digit, Patient Care & Clinical Informatics declined by 7%
Sales	• Comparable sales were in line with Q3 2012 • Customer Services increased by mid-single-digit, Patient Care & Clinical Informatics and Home Healthcare Solutions grew by low-single-digit, while Imaging Systems sales showed a mid-single-digit decline
EBITA & Adjusted EBITA[1]	• EBITA increased to 14.6% of sales, from 12.5% in Q3 2012 • Adjusted EBITA was14.6%, compared to 12.6% in Q3 2012. The 200 bps improvement was due to higher gross margins and overhead cost reductions
Net Operating Capital (NOC)	• Currency comparable, NOC decreased by EUR 189 million to EUR 7.5 billion • Inventories as a % of sales improved by 1.2 percentage points, with improvements seen across all businesses
Others	• Compared to Q3 2012, the number of employees decreased by 659, mainly as a result of reductions in North America and Europe

Operational earnings improve by 200 bps, despite flat top line

[1] Adjusted EBITA in Q3 2013 excludes restructuring and acquisition-related charges of EUR 1 million

Note - Prior-period financials revised for discontinued operations, the adoption of IAS19R and for restatements included in the Annual Report 2012 (please refer to the Annual Report section 12.10 “Significant Accounting Policies”)

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Management update Q3 2013: Consumer Lifestyle

Sales	• Comparable sales grew by 9% compared to Q3 2012 • Strong double-digit growth was seen at Health & Wellness. Domestic Appliances recorded high-single-digit growth and Personal Care grew by mid-single-digit
EBITA & Adjusted EBITA[1]	• EBITA was EUR 116 million, or 10.6% of sales, up from 7.4% in Q3 2012 • Adjusted EBITA increased to 11.1%, from 8.1% in Q3 2012. The improvement was driven by operating leverage from higher sales and better gross margins across all businesses • Stranded costs from discontinued operations decreased from EUR 16 million last year to EUR 7 million in Q3 2013
Net Operating Capital (NOC)	• Currency comparable, NOC decreased by EUR 200 million year-on-year, largely driven by lower working capital requirements
Other	• The number of employees decreased by 799 year-on-year, due to the seasonal outflow of temporary industrial personnel, mainly in the Domestic Appliances business

High-single-digit growth; Operational earnings improve by 300 bps

[1] Adjusted EBITA in Q3 2013 excludes restructuring and acquisition-related charges of EUR 5 million

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Management update Q3 2013: Lighting

Sales	• Comparable sales were 3% above last year • Lumileds and Automotive grew by double-digits, Light Sources & Electronics achieved low-single-digit growth. Professional Lighting Solutions and Consumer Luminaires sales declined by low-single-digit • LED-based sales grew 33% compared to Q3 2012 and now represent 30% of Lighting sales
EBITA & Adjusted EBITA[1]	• EBITA amounted to EUR 177 million, or 8.5% of sales, from 1.5% in Q3 2012 • Adjusted EBITA increased to 10.2% of sales compared to 6.3% in Q3 2012, driven by higher gross margins and cost reductions
Net Operating Capital (NOC)	• Inventories as a % of sales improved by 0.2 percentage points year-on-year • Currency comparable, NOC decreased by EUR 156 million to EUR 4.7 billion, driven by an increase in provisions and lower fixed assets
Others	• The number of employees has decreased by 3,876 compared to Q3 2012 mainly due to the rationalization of the industrial footprint

Operational earnings improve by 390 bps

[1] Adjusted EBITA in Q3 2013 excludes restructuring and acquisition-related charges of EUR 36 million

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Management update Q3 2013: By Geography

Growth Geographies[1]	• Group comparable sales grew by 10%, driven by double-digit growth in Consumer Lifestyle and Lighting. Healthcare sales grew by low-single-digit • China and Middle East & Turkey sales recorded double-digit growth • Healthcare comparable equipment order intake declined by low-single-digit, mainly due to Russia & Central Asia, while China and India grew double-digits
North America	• Group comparable sales declined by 2% as high-single-digit growth in Consumer Lifestyle was offset by low-single-digit declines in Healthcare and Lighting • Healthcare comparable equipment order intake declined by 2%, due to lower orders in the Ultrasound business, in anticipation of the new EPIQ range. Excluding Ultrasound, order intake grew by low-single-digit
Europe	• Group comparable sales declined by 1%. Healthcare and Consumer Lifestyle sales were flat, while Lighting had a small decline • Healthcare comparable equipment order intake declined by 7% mainly due to large and multi-year deals in the Netherlands and UK in Q3 2012. Excluding these deals order intake grew by mid-single-digit

Growth geographies increase by double-digits

[1] Growth geographies are all geographies excluding USA, Canada, Western Europe, Australia, New Zealand, South Korea, Japan and Israel

Note - Prior-period financials revised for discontinued operations, the adoption of IAS19R and for restatements included in the Annual Report 2012 (please refer to the Annual Report section 12.10 “Significant Accounting Policies”)

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Key Financials Summary – Q3 2013

EUR million

	Q3 2012	Q3 2013
Sales	5,821	5,618
EBITA	366[1]	562[1]
Financial income and expenses	(116)[2]	(92)[2]
Income tax	(37)	(108)
Net income (loss)	105	281
Net Operating Capital	11,048	10,249
Net cash from operating activities	648	337
Net capital expenditures	(238)	(220)
Free cash flow	410	117

[1] 3Q13 includes EUR (41)M of restructuring and acquisition-related charges and a loss of EUR (31)M caused by an increase in the discount rate related to a settlement of the lump sum offering to former employees enrolled in our US pension plan; 3Q12 includes EUR (76)M of restructuring and acquisition-related charges and a EUR (34)M loss on the sale of industrial assets in Lighting

[2] 3Q13 includes a EUR (12)M loss on value adjustment related to UK pension plan option; 3Q12 includes a EUR (12)M loss on value adjustment related to UK pension plan option

Note - Prior-period financials revised for discontinued operations, the adoption of IAS19R and for restatements included in the Annual Report 2012 (please refer to the Annual Report section 12.10 “Significant Accounting Policies”)

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Sales by sector – Q3 2013

EUR million

	Q3 2012	Q3 2013	% nom	% comp
Healthcare	2,443	2,258	(8)	0
Consumer Lifestyle	1,051	1,091	4	9
Lighting	2,139	2,084	(3)	3
Innovation, Group & Services	188	185	(2)	(7)
Philips Group	5,821	5,618	(3)	3

Note - Prior-period financials revised for discontinued operations, the adoption of IAS19R and for restatements included in the Annual Report 2012 (please refer to the Annual Report section 12.10 “Significant Accounting Policies”)

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Sales by geography – Q3 2013

EUR million

	Q3 2012	Q3 2013	% nom	% comp
Western Europe	1,402	1,382	(1)	(1)
North America	1,852	1,710	(8)	(2)
Other mature geographies	524	434	(17)	(1)
Growth geographies[1]	2,043	2,092	2	10
Philips Group	5,821	5,618	(3)	3

[1] Growth geographies are all geographies excluding USA, Canada, Western Europe, Australia, New Zealand, South Korea, Japan and Israel

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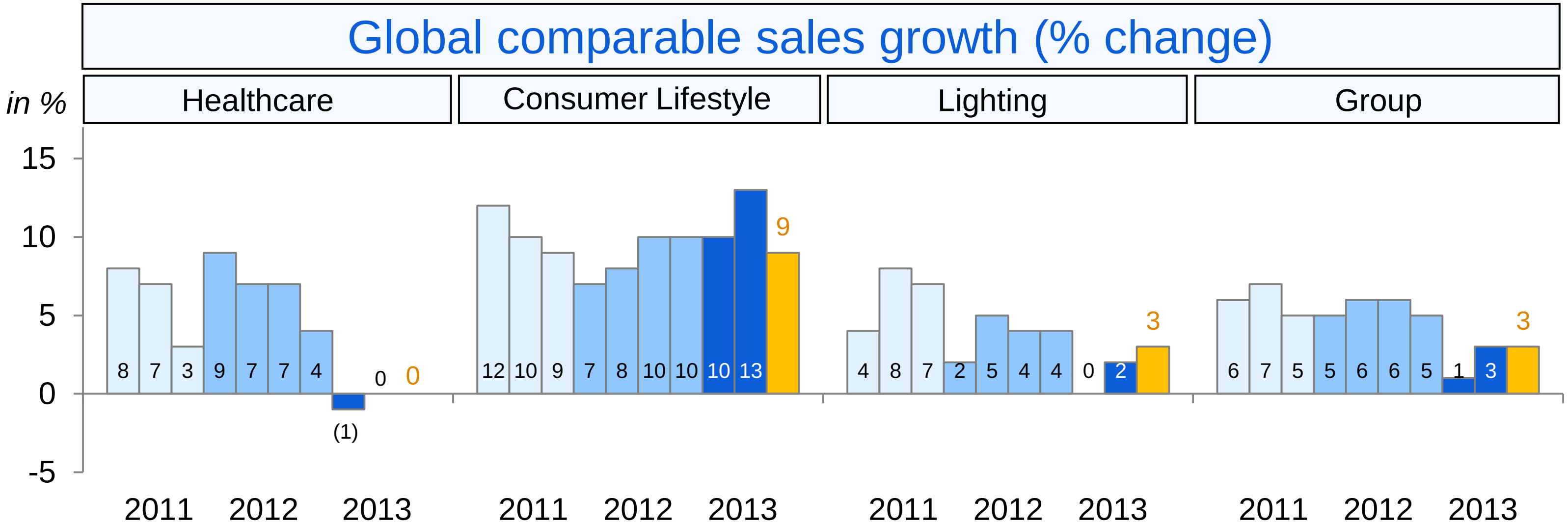
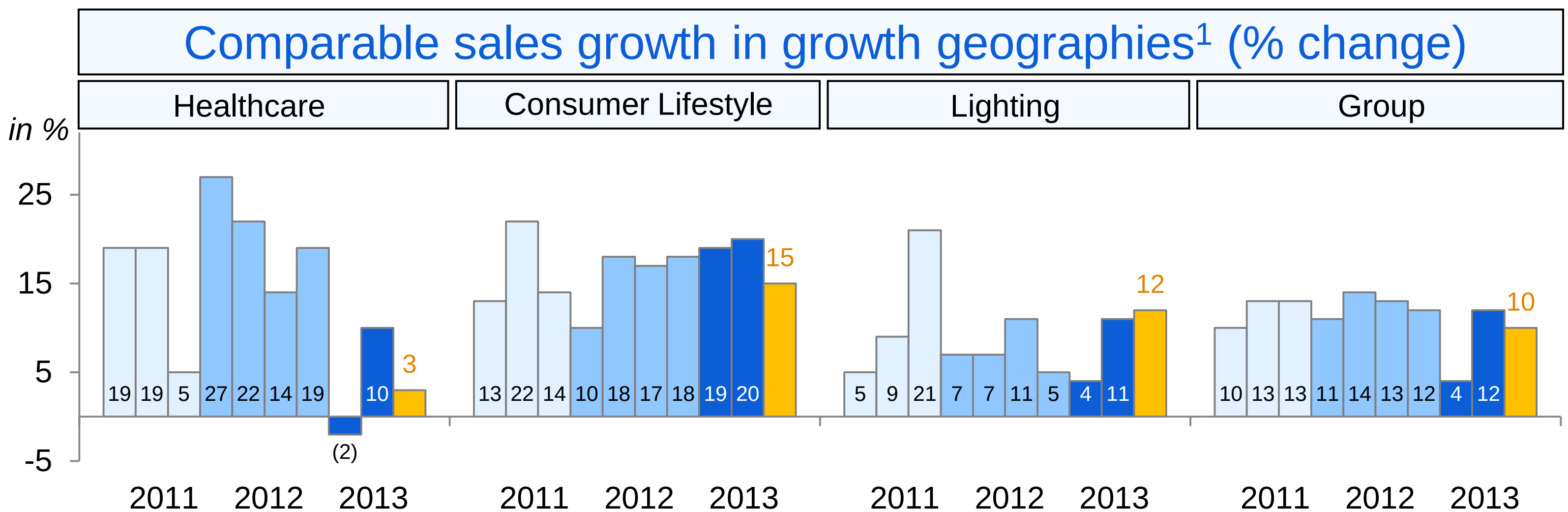
Sales growth development

Trend Q2 2011 - Q3 2013





[1] Growth geographies are all geographies excluding USA, Canada, Western Europe, Australia, New Zealand, South Korea, Japan and Israel

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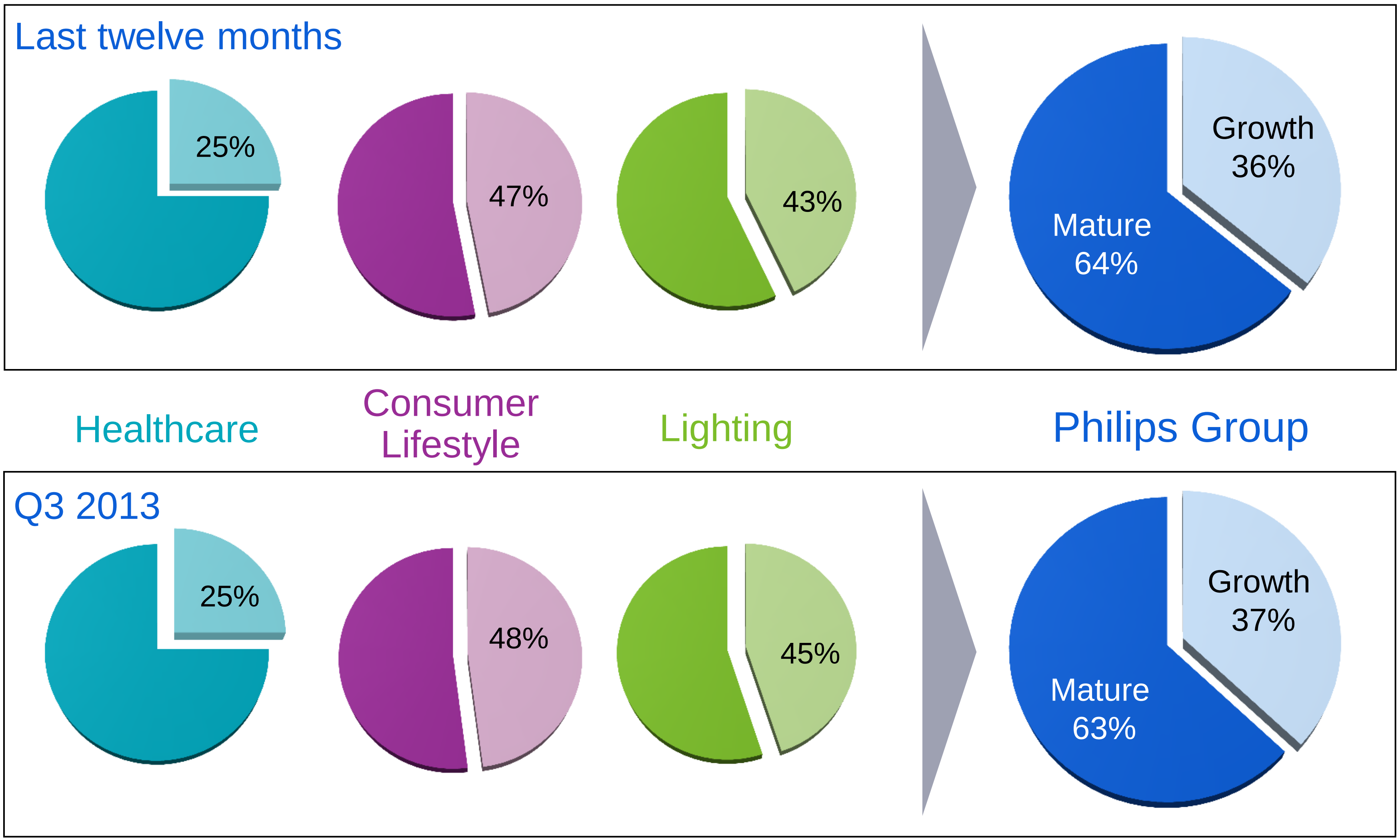
Growth geographies – Q3 ‘13 and last twelve months

Sales in growth geographies[1]



[1] Growth geographies are all geographies excluding USA, Canada, Western Europe, Australia, New Zealand, South Korea, Japan and Israel

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EBITA by sector – Q3 2013

EUR million

	Q3 2012		Q3 2013	
Healthcare[1]	305	*12.5%*	329	*14.6%*
Consumer Lifestyle[2]	78	*7.4%*	116	*10.6%*
Lighting[3]	32	*1.5%*	177	*8.5%*
Innovation, Group & Services[4]	(49)	-	(60)	-
Philips Group	366	*6.3%*	562	*10.0%*

[1] 3Q13 includes EUR (1)M of restructuring and acquisition-related charges; 3Q12 includes EUR (3)M of charges
[2] 3Q13 includes EUR (5)M of restructuring and acquisition-related charges; 3Q12 includes EUR (7)M of charges
[3] 3Q13 includes EUR (36)M of restructuring and acquisition-related charges; 3Q12 includes EUR (68)M of charges and a EUR (34)M loss on the sale of industrial assets
[4] 3Q13 includes a net release of EUR 1M of restructuring provisions and a loss of EUR (31)M caused by an increase in the discount rate related to a settlement of the lump sum offering to former employees enrolled in our US pension plan; 3Q12 includes a net release of EUR 2M of restructuring provisions

Note - Prior-period financials revised for discontinued operations, the adoption of IAS19R and for restatements included in the Annual Report 2012 (please refer to the Annual Report section 12.10 “Significant Accounting Policies”)

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Adjusted EBITA by sector – Q3 2013

EUR million

	Q3 2012		Q3 2013	
Healthcare[1]	308	*12.6%*	330	*14.6%*
Consumer Lifestyle[2]	85	*8.1%*	121	*11.1%*
Lighting[3]	134	*6.3%*	213	*10.2%*
Innovation, Group & Services[4]	(51)	-	(30)	-
Philips Group	476	*8.2%*	634	*11.3%*

[1] 3Q13 excludes EUR (1)M of restructuring and acquisition-related charges; 3Q12 excludes EUR (3)M of charges
[2] 3Q13 excludes EUR (5)M of restructuring and acquisition-related charges; 3Q12 excludes EUR (7)M of charges
[3] 3Q13 excludes EUR (36)M of restructuring and acquisition-related charges; 3Q12 excludes EUR (68)M of charges and a EUR (34)M loss on the sale of industrial assets
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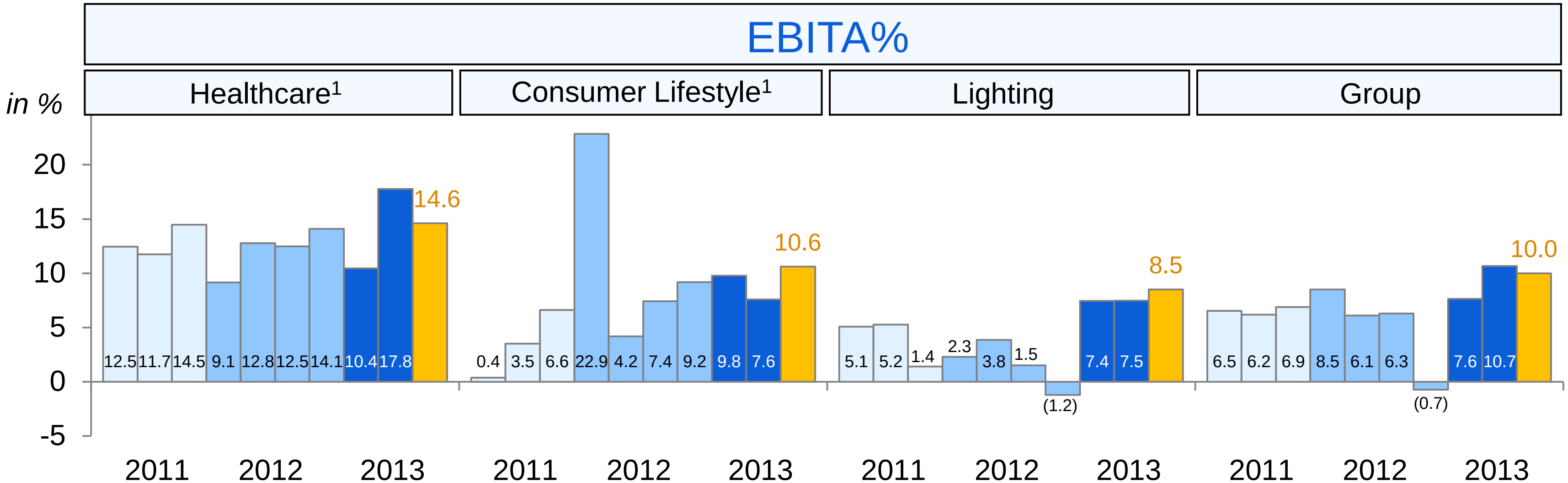
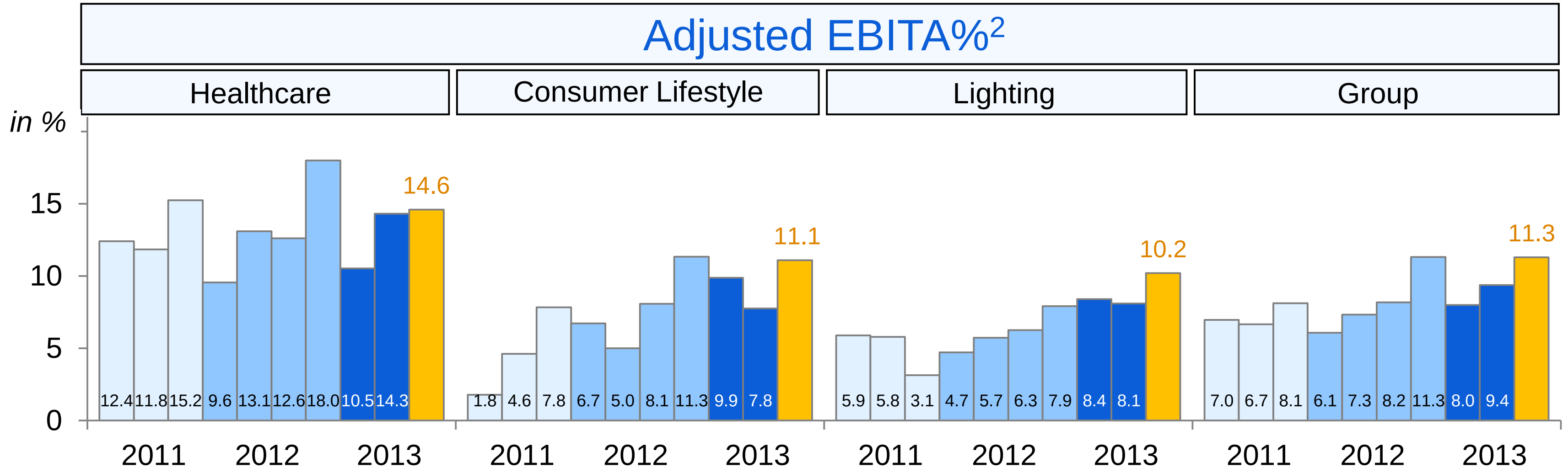
Note - Prior-period financials revised for discontinued operations, the adoption of IAS19R and for restatements included in the Annual Report 2012 (please refer to the Annual Report section 12.10 “Significant Accounting Policies”)

EBITA and Adjusted EBITA Margin development

Trend Q2 2011 - Q3 2013



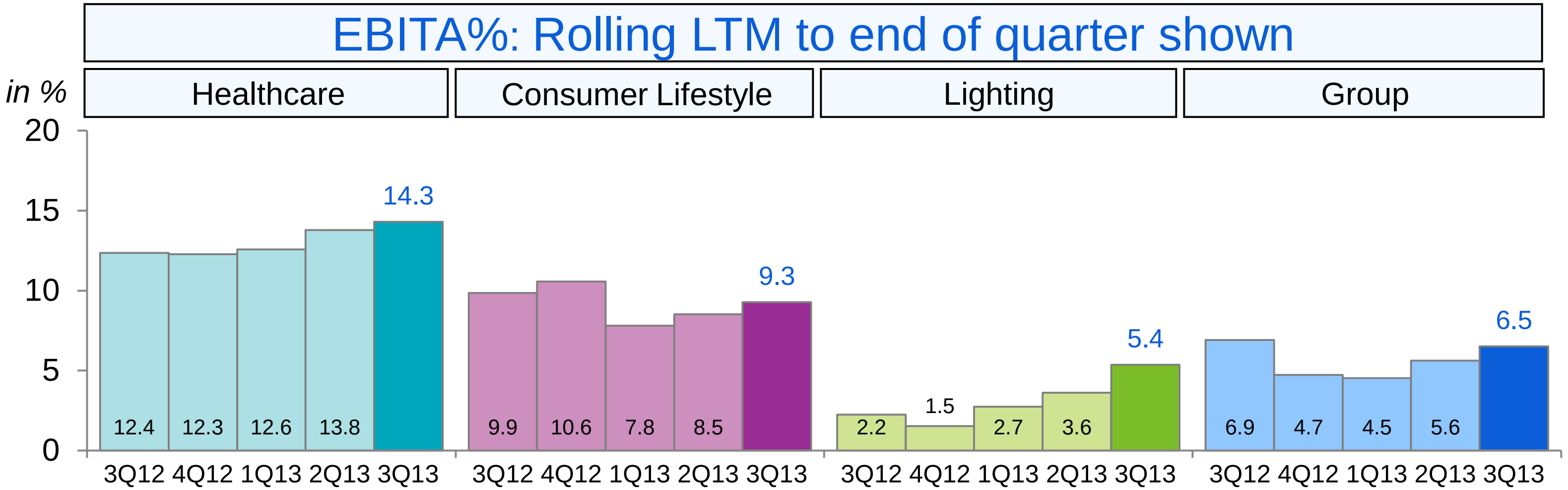


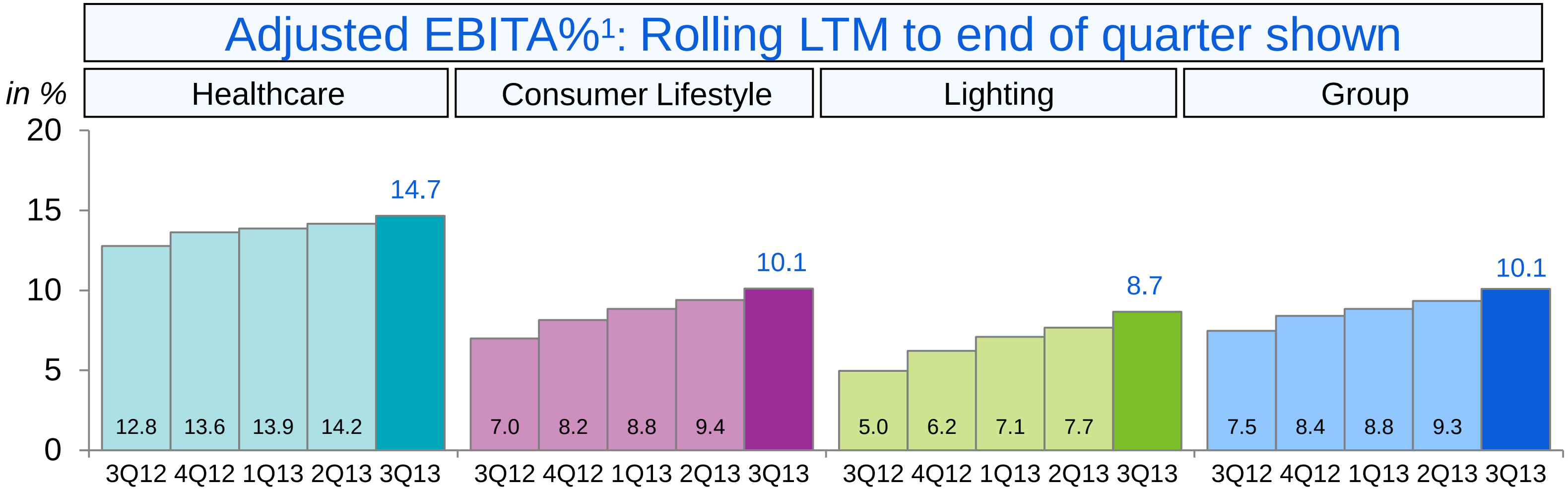
[1] Healthcare EBITA Q2 2013 includes a EUR 82 million gain from past-service pension costs in the US and the sale of a business; Consumer Lifestyle EBITA Q1 2012 includes a EUR 160M gain from the Senseo transaction [2] Adjusted EBITA is EBITA corrected for incidental charges (details on slide 94)

Note - Prior-period financials revised for discontinued operations, the adoption of IAS19R and for restatements included in the Annual Report 2012 (please refer to the Annual Report section 12.10 "Significant Accounting Policies")

EBITA and Adjusted EBITA Margin development

Rolling last 12 months





[1] Adjusted EBITA is EBITA corrected for incidental charges (details on slide 94)

Note - Prior-period financials revised for discontinued operations, the adoption of IAS19R and for restatements included in the Annual Report 2012 (please refer to the Annual Report section 12.10 “Significant Accounting Policies”)

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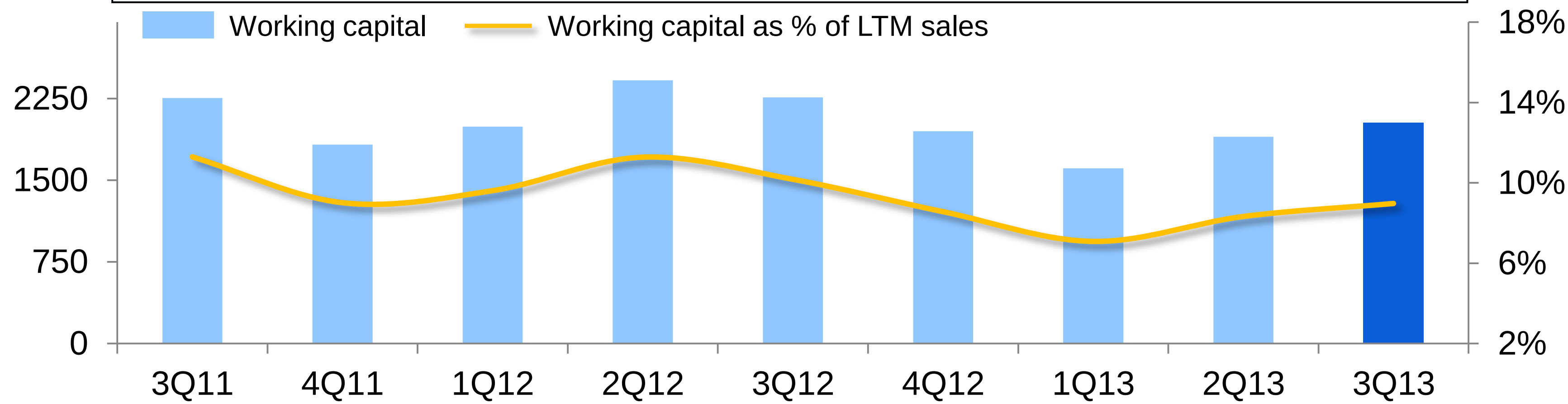
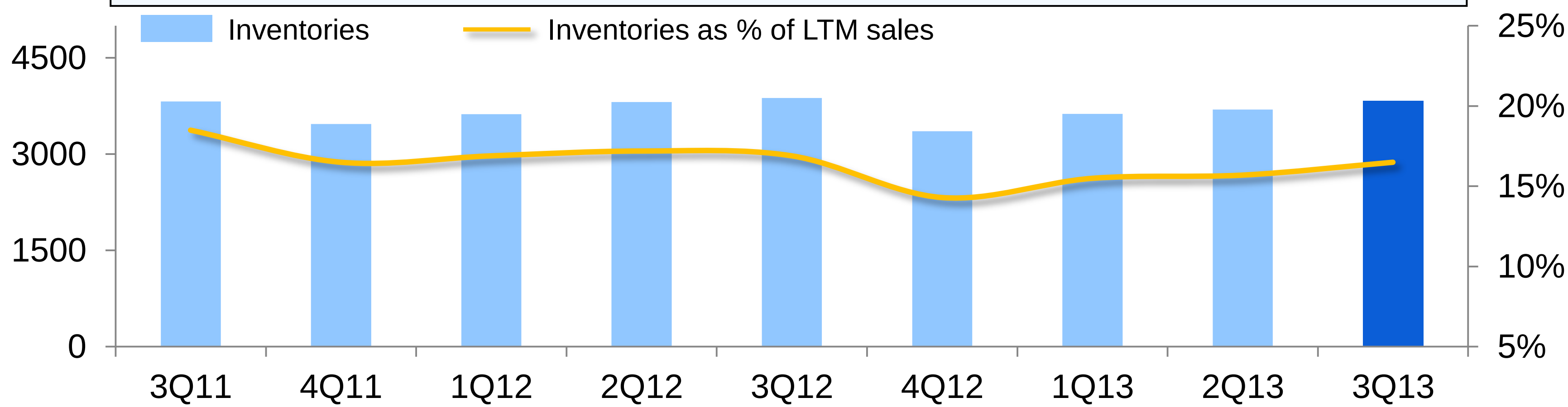
Working capital & Inventories over the last two years

EUR million

Working capital as % of sales[1]



Inventories as % of sales



[1] Working capital as % of sales of Healthcare, Consumer Lifestyle and Lighting; excluding central sector IG&S. Working capital includes residual balance of discontinued operations
Note - Prior-period financials revised for discontinued operations, the adoption of IAS19R and for restatements included in the Annual Report 2012 (please refer to the Annual Report section 12.10 “Significant Accounting Policies”)

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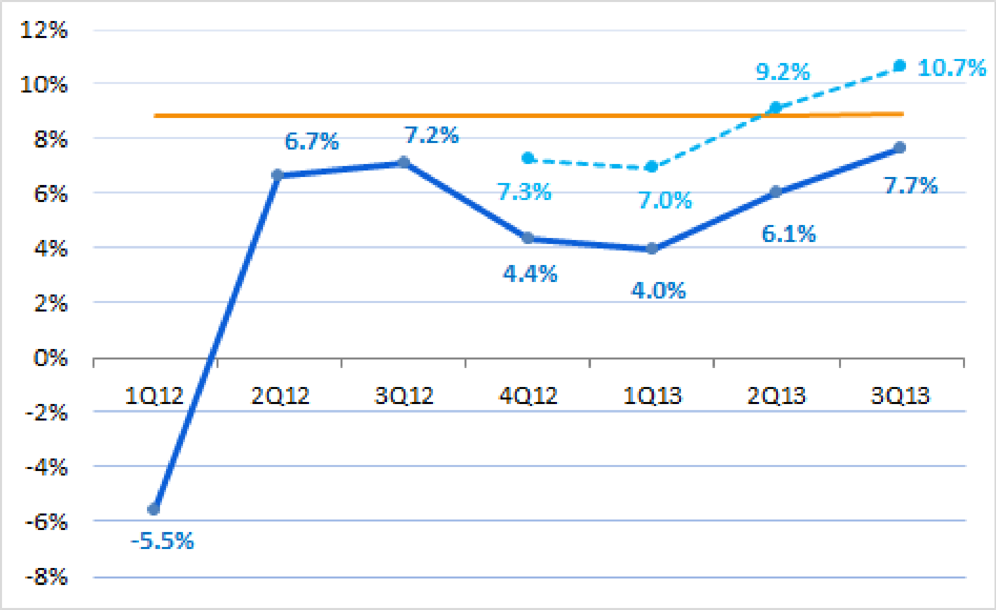
Free Cash Flow – Q3 2013

EUR million

	Q3 2012	Q3 2013
Net income from continuing operations	95	270
Fixed assets depreciation, amortization, and impairments	346	330
Net gain (loss) on sale of assets	33	(9)
Changes in working capital, of which:	139	(357)
- changes in receivables and other current assets	(206)	(428)
- changes in inventories	(157)	(265)
- changes in accounts payable, accrued and other liabilities	502	336
Changes in non-current receivables, other assets and other liabilities	(62)	60
Increase (decrease) in provisions	51	(76)
Others	46	119
Net cash flow from operating activities	648	337
Purchase of intangible assets/ Expenditures on development assets	(97)	(97)
Capital expenditures on property, plant and equipment	(144)	(137)
Proceeds from disposals of property, plant and equipment	3	14
Net capital expenditures	(238)	(220)
Free Cash Flow	410	117

Note - Prior-period financials revised for discontinued operations, the adoption of IAS19R and for restatements included in the Annual Report 2012 (please refer to the Annual Report section 12.10 “Significant Accounting Policies”)

Development of Return on Invested Capital (ROIC)



ROIC — Discount rate — ROIC excl. the European Commission fine on CRT[1]

- Excluding the European Commission fine on CRT[1], ROIC improved to 10.7% in Q3 2013, from 9.2% in Q2 2013 and from 7.2% in Q3 2012 mainly due to:
  - Improved earnings in all sectors
  - Lower fixed assets and lower average Net Operating Capital
- ROIC in Q1 2012 was impacted by impairment charges of 2011. Excluding these charges, ROIC was 6.6%
- Discount rate is 9.0%

Notes:

EBIAT are earnings before interest after tax

Philips calculates ROIC % as: EBIAT/ NOC

Quarterly ROIC % is based on LTM EBIAT and average NOC over the last 5 quarters

Reported tax used to calculate EBIAT

[1] CRT=Cathode-Ray Tubes, a business divested by Philips in 2001. Philips has appealed the decision. Charges were taken in Q4 2012.

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Philips' debt has a long maturity profile

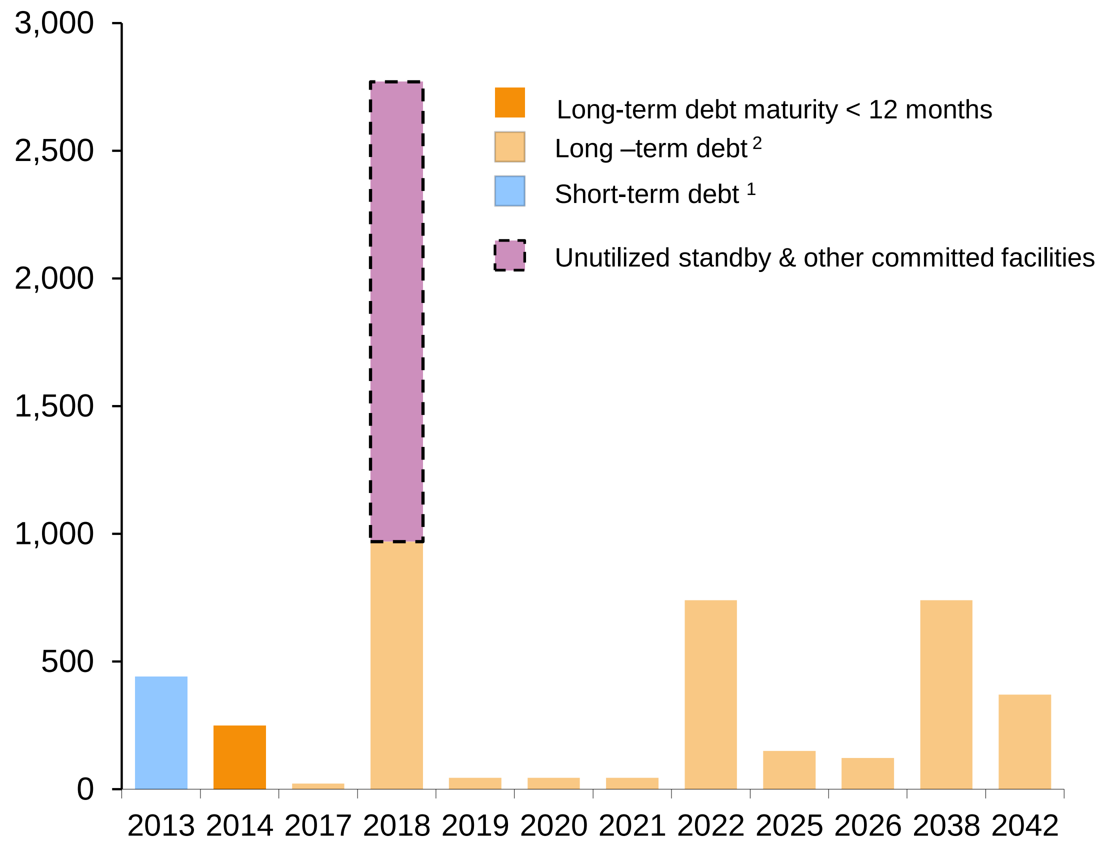
Characteristics of long-term debt

- Maturities up to 2042
- Average tenor of long-term debt is 12.5 years
- No financial covenants

In January 2013 Philips extended the maturity of its EUR 1.8 billion standby facility to February 2018

Debt maturity profile as of September 2013

Amounts in EUR millions



[1] Short term debt consists mainly of local credit facilities that are being rolled forward on a continuous basis

[2] In March 2012 Philips issued USD 1,000M 10 years at 3.75% and USD 500M 30 years at 5%. On Apr 10th 2012, Philips early redeemed USD 500M originally maturing in March 2013

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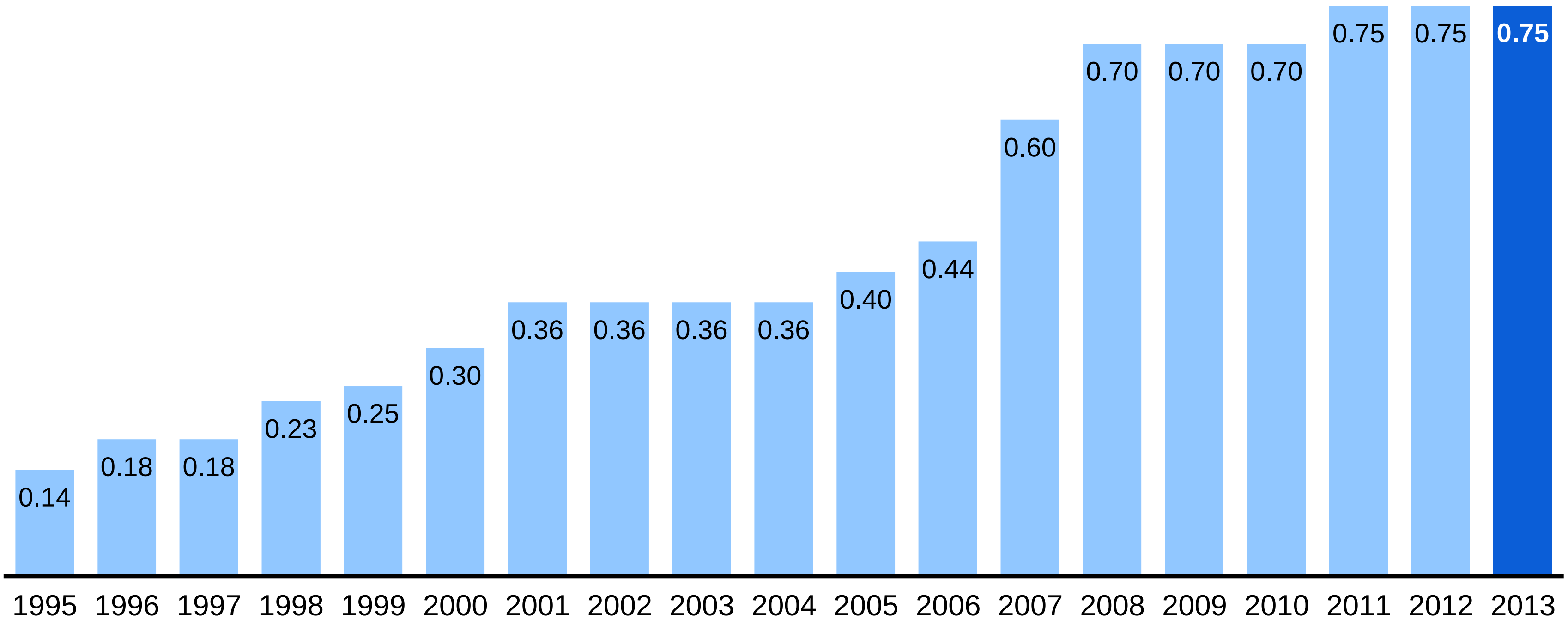
A history of sustainable dividend growth

EUR cents per share



"We are committed to a stable dividend policy with a 40% to 50% pay-out of continuing net income."

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Update funded status pension plans (IFRS basis)

EUR million

	December 31, 2012 (re-stated for IAS19R)		September 30, 2013 (not reported)	
	Funded Status	Balance sheet position	Funded Status	Balance sheet position
Netherlands Pre-paid pension asset[1]	777	0	730	0
Other major plans	(1,237)	(1,823)	(865)	(1,430)
Major plans	(460)	(1,823)	(135)	(1,430)
Minor plans	(202)	(199)	(202)	(201)
Total	(662)	(2,022)	(337)	(1,631)

- In Q3 2013, the total funded status improved due to favorable discount rates for the main Defined Benefit (DB) plans. The Balance sheet position improved as higher interest rates lowered the net present value of the liabilities and, to a lesser extent, negatively affected the market value of the plan assets
- Funded status 2012 has been restated to reflect the exclusion of accrued pension administration costs from the DBO[2] as required by IAS19R (positive impact of EUR 224 million)
- Balance Sheet: surplus in the Netherlands, UK and Brazil are not recognized (asset-ceiling test)

[1] With the objective to mitigate the company's financial exposure to its pension plans, a new funding agreement for the Netherlands pension plan will become effective per January 1, 2014
[2] DBO= Defined Benefit Obligation

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Disciplined Capital Use

- Invest in high ROIC organic growth opportunities and selected value creating bolt-on acquisitions
- Maintain our A3/A- rating
- We are committed to a stable dividend policy with a 40% to 50% pay-out of continuing net income
- We will drive higher capital efficiency and cash flow yields through improved working capital turns and CAPEX discipline
- We will exercise stringent discipline and return criteria (including ROIC hurdles) in our end-to-end acquisition process in line with the nature of the transaction
- Additionally, capital will be used to mitigate risk and return capital to shareholders over time

Acquisitions at a glance

Healthcare

Jan-2011	medSage	Home Healthcare	Strengthen portfolio by becoming a leading provider of patient interaction and management applications
Mar-2011	Dameca	Patient Care and Clinical Informatics	Expand portfolio with integrated, advanced anesthesia care solutions
Jun-2011	AllParts Medical	Customer Services	Expand capabilities in imaging equipment services, strengthening Philips' Multi-Vendor Services business
Jun-2011	Sectra	Imaging Systems	Expand Women's Healthcare portfolio with a unique digital mammography solution in terms of radiation dose

Consumer Lifestyle

Jan-2011	Preethi	Domestic Appliances	Becoming a leading kitchen appliances company in India
Jul-2011	Povos	Domestic Appliances	Expanding product portfolio in China and continue to build business creation capabilities in growth geographies

Lighting

Jan-2011	Optimum	Professional Luminaires	Expand portfolio with customized energy-efficient lighting solutions
Jun-2011	Indal	Professional Luminaires	Strengthen leading position in professional lighting within Europe

Note - Dates refer to announcement date of acquisition

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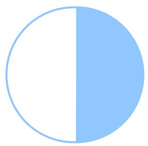
Accelerate! change and performance program to unlock full potential faster

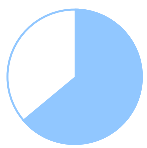
Dark blue indicates quarter over quarter improvement

Customer Centricity



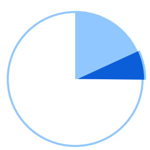
- Increased seniority of market teams; markets are now led by empowered entrepreneurs
- Increase local relevance of product portfolio to gain market share
- Focused Business-to-Government sales channel development to drive growth
- Increase Employee Engagement in markets by 300 bps

Resource to Win



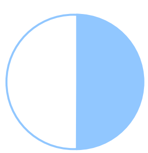
- Granular plans to increase number of BMC[1]'s in which we are an outright leader
- Increase performance adherence to plan per BMC[1] > 80%
- Execute on strategic workforce plan for growth markets
- Targeted investment step-ups to gain market leadership

End2End Execution[2]



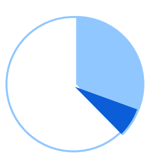
- Productivity gains of 100 bps margin impact to be achieved by 2016
  - Transform customer value chains to 4 Lean business models, enabled by effective IT
  - Reduce Cost of Non Quality by 30%, Accelerate innovation time to market by av. 40%
- EUR 1 billion via Design for Excellence (DfX) over the period 2014-2016
- Inventory reduction target of 1% to 1.5% of sales per year for 2012 & 2013; Increase customer service >95%

Growth and Performance Culture



- Introduced new behaviors to drive new ways of working
- Personal transformation workshops started to enable culture change
- Quarterly pulse check to check for effectiveness of the above
- Incentive and appraisal system changed to align with new culture and mid-term targets

Operating Model[2]



- Simplify the organization and reduce overhead and support costs by EUR 1.5 billion
- Implement the Philips Business System in the organization
- Performance Management for BMC[1]'s implemented
- Implement collaborative P&L between businesses & markets with clear accountability

Supported by strong change and program management office to ensure execution

[1] Business Market Combination [2] Redefined for the 2016 targets

Accelerate! is changing the way we do business

Reducing lead time: UK

To address Amazon's need to react to shopper demand more quickly, cross functional teams from Philips UK and Amazon supply chain analyzed the End2End order fulfillment process. This customer centric approach reduced vendor lead times to Amazon by ~35%. Replicating this success, we are collaboratively working with Argos, another top customer, to drastically reduce their vendor lead time.

Customer centric innovation: EPIQ Ultrasound

Cooperating closely with radiologists, echo-cardiographers, and gynecologists Philips developed EPIQ, a new era in advanced Ultrasound. EPIQ eases traditional compromises in Ultrasound imaging while improving clinical confidence. It combines high image quality with a new user interface, facilitating better workflow and patient throughput. EPIQ pioneers 'Anatomical Intelligence' leading to faster and better reproducible Ultrasound exams.

End2End transformation: LED China

Through our End2End transformation program, we identified and drove improvements along the entire LED value chain in China. This resulted in a broad range of competitively priced façade lighting solutions for the mid-tier market segment in China, with more than 40% reduction in time to market for new product introductions and a significant increase in on-time delivery.

Lean order processing: Japan

By mapping and harmonizing its Market to Order processes through Lean methodology, Philips Healthcare Japan has improved service levels to customers. The time for processing orders improved by 50%, resulting in faster response time, with 95% of orders being processed within 8 hours.

Cost reduction program targeting overhead & indirect costs will bring EUR 1.5 billion in savings by 2015

Cost reduction scope

~35%

Company wide Overhead and Support functions

(IT, Finance, HR, Real Estate, management layers, etc)

Business functions indirect costs and overheads

(Purchasing, Supply Chain, R&D, Service, Marketing etc)

~65%

Core customer value chain

Global business leadership

Success in local markets

Sales, Marketing
Manufacturing & Supply Chain
R&D / Innovation, services

Clear design principles

- Taking out overhead and support cost
  - *All overheads, layers and support functions*: IT, Finance, HR, Real Estate, Management, etc
  - Indirect business functions not directly involved in the *customer value chain*
  - *Single added value layer* (no duplication) and *reduce complexity*
- Increased savings based on 2013 baseline
- Focus on sustainable structural savings instead of “variable” costs

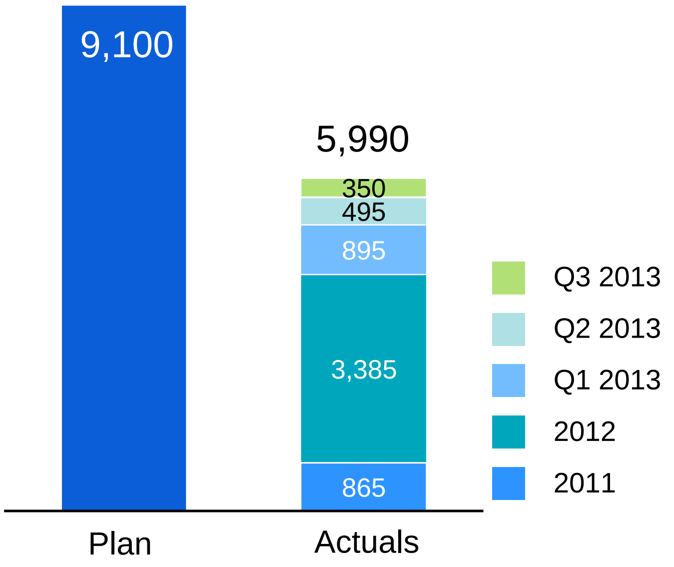
EUR 1.5 billion cost reduction program

Program started in Q3 2011, expected to be completed by 2015

EUR million	Gross savings[1]						
	2011 Actual (A)	2012 Actual (B)	YTD 2013 Actual (C)	Total Actual (A+B+C)	Total 2013 Plan	Total 2014 Plan	Total 2015 Plan
TOTAL	**25**	**446**	**385**	**856**	**1000**	**1,250**	**1500**

EUR million	Annual restructuring costs and investments							
	2011 Actual	2012 Actual	1Q13 Actual	2Q13 Actual	3Q13 Actual	2013 Plan	2014 Plan	2015 Plan
Restructuring	(37)	(249)	(13)	(7)	(26)	(65)	(100)	(100)
Investments	(37)	(128)	(29)	(39)	(31)	(140)	(160)	(185)
TOTAL	**(74)**	**(377)**	**(42)**	**(46)**	**(57)**	**(205)**	**(260)**	**(285)**

Approximately 66% of the targeted headcount reduction completed by Q3 2013

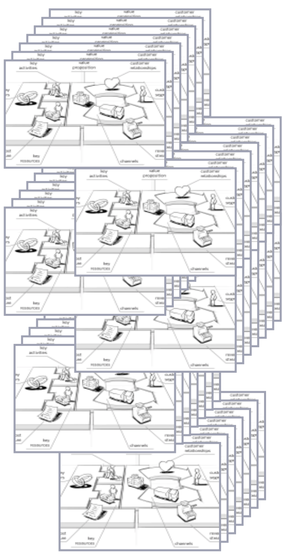


[1] "Cumulative gross savings" has been changed to "Gross savings" as of Q2 2013 and historical figures have been restated where necessary
Note - The above figures include results related to the Audio, Video, Multimedia and Accessories business of :
Total savings of EUR 46M, annual restructuring costs in 2012 of EUR 11M and EUR 3M in 2013, investments of EUR 1M in 2013 and a headcount reduction of 99 employees
The plan for 2014 includes gross savings for the Audio, Video, Multimedia and Accessories business of EUR 57M and a headcount reduction of 99 employees

PHILIPS

Overhauling our business model architecture

From 70+ business models → To 4 End2End business models



- Standard Products
- Owner: Pieter Nota

- Solutions
- Owner: Eric Rondolat

- Services
- Owner: Deborah DiSanzo

- Software
- Owner: Deborah DiSanzo

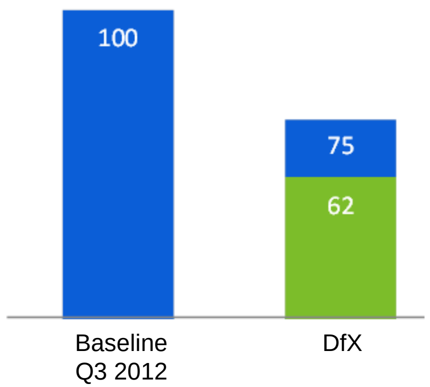
- All Philips businesses to adopt one of four standardized business models
- Investments being made to standardize processes, data, and new IT backbone
- A single planning, performance and reward cycle across Philips
- Investing to create a culture for such a major change

Applying DfX* in the product creation process

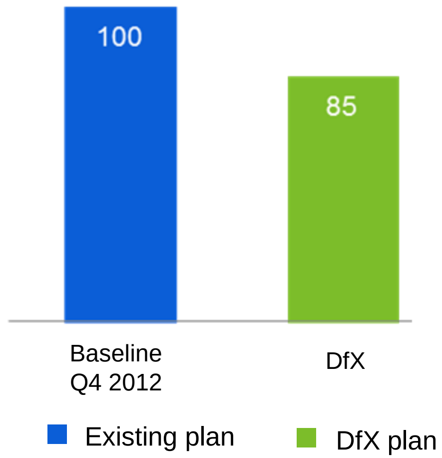
*Design for X; X = cost, quality, manufacturing etc.

- End2End approach to product creation, with one integrated team of procurement, supply chain, R&D, marketing, finance and the supplier upfront to drive breakthrough cost savings through:
  - Value engineering
  - Re-design the purchasing value chain
  - Leveraging global spend
- Early successes show that significant cost savings can be achieved in mature products, i.e. products being manufactured over 5 years, as well as new product introductions
- Currently building a funnel of opportunities targeting additional cumulative savings of EUR 1 billion over the period 2014 to 2016

DfX effectiveness pilot for a new product



DfX effectiveness pilot for a mature product



PHILIPS

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1. Management update

2. Group results Q3 2013

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4. Philips Business System and Path-to-Value

5. Group and sector overview

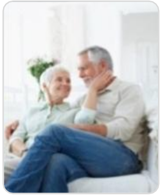
We are implementing the Philips Business System

Our repeatable system to unlock and deliver value

The Philips Business System enables us to:

- Manage our portfolio with granular value creation plans for every business
- Leverage our differentiating Capabilities, Assets and Positions to drive global scale and local relevance
- Be a learning organization that delivers with speed and excellence to our customers
- Live a growth and performance culture
- Deliver increasing value in a repeatable manner

Mega trends create great opportunities for profitable growth

Mega Trends	Sizeable Opportunities
 • Growing and aging population with more chronic diseases • Growing demand for integral value-based healthcare solutions	• Around 65% of deaths globally are due to chronic and non-communicable diseases • World's population of people 60 years+ doubled since 1980; forecast to reach 2 billion by 2050
 • Growth geographies[1] with growing middle class • Rising health & well-being consciousness	• The global middle class is expected to increase from 1.8 billion in 2009 to 4.9 billion by 2030 • Aging population, high obesity rates, and a raised awareness of un-healthy foods
 • The world needs more light and energy efficient lighting • Digitalization driving demand for integrated lighting solutions	• Urbanization leading to 3 billion more people in cities by 2050 • LED to be 45-50% of the market by 2016, as inefficient technologies are being phased out

[1] Growth geographies are all geographies excluding USA, Canada, Western Europe, Australia, New Zealand, South Korea, Japan and Israel
Sources: World health organization, Agriculture and Agri-food Canada, OECD observer, and Philips Lighting global market study

Our business domains play right into these megatrends

Mega Trends

- Growing and aging population with more chronic diseases
- Growing demand for integral value-based healthcare solutions

- Growth geographies[1] with growing middle class
- Rising health & well-being consciousness

- The world needs more light and energy efficient lighting
- Digitalization driving demand for integrated lighting solutions

Our Business Domains

Healthcare	Imaging systems for diagnostics and therapy Patient care for hospital and home Clinical Informatics & consulting services
Consumer Lifestyle	Personal health & well-being appliances and services
Lighting	Light sources Lighting applications, systems and services

[1] Growth geographies are all geographies excluding USA, Canada, Western Europe, Australia, New Zealand, South Korea, Japan and Israel

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Each of our ~40 businesses has a granular value creation roadmap towards 2016 targets and beyond

Our Business domains		Our Businesses
Healthcare	Imaging Systems for diagnostics and therapy	• Radiology modalities & applications • Ultrasound Imaging • Image guided interventional therapy
Healthcare	Patient care for hospital and home	• Acute and therapeutic care products • Sleep & respiratory care
Healthcare	Clinical Informatics & consulting services	• Hospital and home patient monitoring • Clinical informatics applications • Healthcare consulting services
Consumer Lifestyle	Personal health & well-being appliances and services	• Male Grooming, Beauty • Oral Healthcare, Mother & Childcare • Kitchen Appliances, Garment Care, Coffee
Lighting	Light sources	• Conventional lamps and drivers • LED lamps, drivers and modules • Lumileds, Automotive, OLED
Lighting	Lighting applications, systems and services	• Professional Lighting Systems and Controls • Consumer Luminaires
Other	IP licensing	• IP and Brand licensing
Other	Emerging businesses	• Various

Our value creation levers

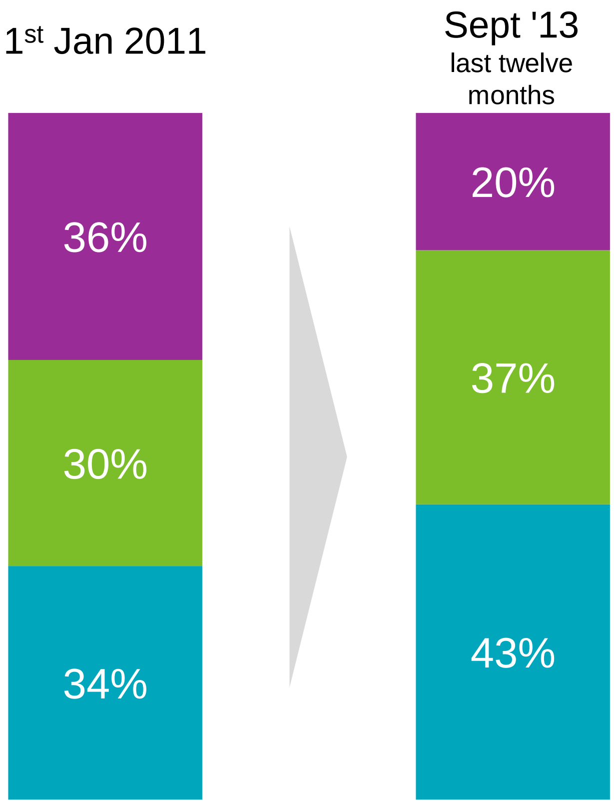
- Lean out & address under-performance issues
- Speed up innovation
- End2End business model redesign
- Exploit Philips' global footprint for geographical adjacencies (spottiness)
- Strong focus on growth geographies[1]
- Fill out logical product adjacencies
- Emerging businesses fitting our CAPs[2]

[1] Growth geographies are all geographies excluding USA, Canada, Western Europe, Australia, New Zealand, South Korea, Japan and Israel
[2] Capabilities, Assets and Positions

We made significant portfolio changes

Resulting in a better growth platform with higher profit potential

Group Sales Mix



- − Television
- − Audio, Video, Multimedia and Accessories
- − Speech processing
- + Discus
- + Povos (China)
- + Preethi (India)

- − Lighting manufacturing sites
- + Indal

- − Raytel
- − Profile Pharma

- − Assembléon

Healthcare | Lighting | Consumer Lifestyle | Group | + Acquisition | − Divestment

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We have strong leadership[1] positions in many markets across the globe

Healthcare

Global
Cardiovascular X-ray

Global
Patient Monitoring

Global
Image-Guided interventions

Global
Sleep Therapy Systems

Global
Ultrasound

Consumer Lifestyle

Global
Male Electric Shaving

Global
Garment Care

Global
Rechargeable Toothbrushes

Regional
Kitchen Appliances

Regional
Electric Hair Care

Lighting

Global
Lamps

Global
LED Lamps

Global
Automotive Lighting

Global
Professional Luminaires

Global
High Power LEDs

[1] Global or Regional #1 or #2 position in the market

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Our differentiating Capabilities, Assets and Positions

Philips Group Portfolio

Deep Market Insights

- Global market leader in Lighting
- Top 3 Healthcare player
- Leadership positions[1] in over half of Group revenues

Technology Innovation

- Technology, know-how and strong IP positions (59,000 registered patents)

Global Footprint

- Loyal customer base in 100+ countries
- 36% of group revenues from growth geographies[2]

The Philips Brand

- World's 40th most valuable brand 2013 compared to the 65th in 2004
- Brand value reached a record level to close to USD 10 billion

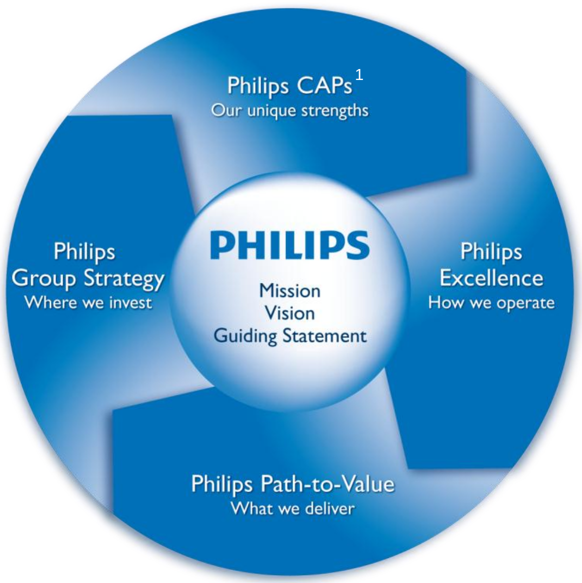
Our People

- Employee Engagement Index[3] exceeds high performance benchmark value of 70%
- Culturally diverse top-200 leadership team

Supported by a strong balance sheet

[1] Global #1 position in the market
[2] Growth geographies are all geographies excluding USA, Canada, Western Europe, Australia, New Zealand, South Korea, Japan and Israel
[3] Based on annual Philips' Employee Engagement Survey

Our Path-to-Value is clearly mapped out



Initiate new growth

- Invest in adjacencies to core
- Seed emerging business areas

Expand leadership positions

- Invest to strengthen core
- Resource allocation to right businesses & geographies

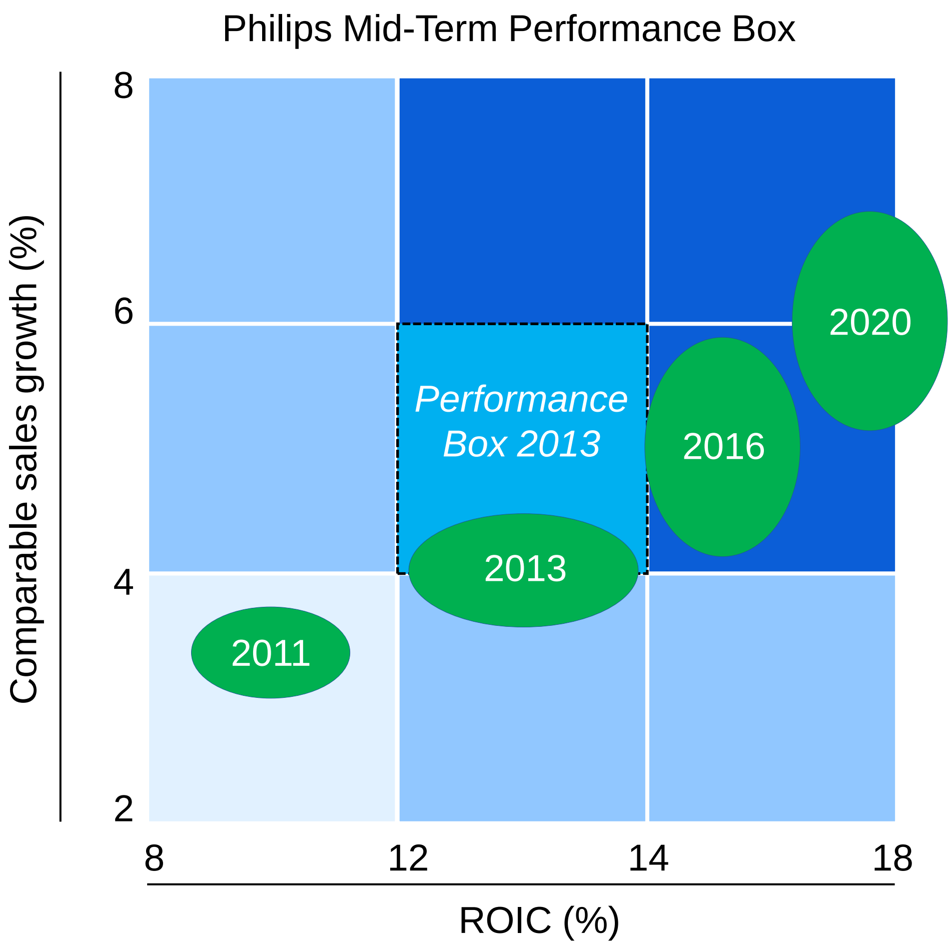
Close performance gaps

- Productivity & margin improvements
- Turnaround underperforming units
- Portfolio correction
- Lean processes, real time IT

2011 2016

[1] Capabilities, Assets and Positions

Our Path-to-Value



Financial targets 2013

Sales growth CAGR[1]	4 - 6%
Group Reported[2] EBITA	10 - 12%
- Healthcare businesses	15 - 17%
- Consumer Lifestyle businesses[3]	8 - 10%
- Lighting businesses	8 - 10%
Group ROIC	12 - 14%

Financial targets 2016

Sales growth CAGR[1]	4 - 6%
Group Reported[2] EBITA	11 - 12%
- Healthcare businesses	16 - 17%
- Consumer Lifestyle businesses	11 - 13%
- Lighting businesses	9 - 11%
Group ROIC[4]	>14%

[1] Assuming real GDP growth of 3-4%
[2] Including restructuring and acquisition-related charges
[3] Excluding unrelated licenses
[4] Excluding M&A impact

PHILIPS

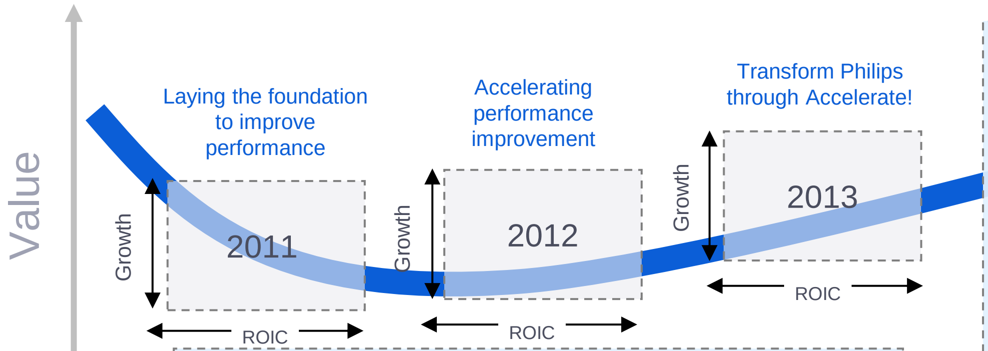
Accelerate! delivers growth and profitability improvements supporting 2016 targets and beyond

Categories	Measures	Margin Impact 2016[1]
Productivity	• Overhead cost reduction program increased from EUR 1.1 billion to EUR 1.5 billion by 2015 • EUR 1 billion through Design for Excellence (DfX) between 2014-2016 contributing to gross margin expansion • End2End productivity gains to be achieved by 2016	>100 bps 100-200 bps >100 bps
	Additional Productivity Improvements	300-400 bps
Investments in productivity	• Incremental one-time restructuring costs, investments to upgrade IT systems, and re-engineer end to end processes between 2014-2016	- 50 bps
Investments in growth	• Incremental investments in new (organic) growth in adjacencies with returns after 2016	- 100 bps
Contingency	• Contingencies to cater for moderate fluctuations in market growth and price erosion compared to our assumptions	- 50 bps
	Net Improvement in 2016 Reported EBITA	100-200 bps

[1] Approximate margin impact in 2016 compared to 2013 baseline

PHILIPS

The Accelerate! journey will continue…



2011 – 2013

Accelerating performance improvement

- ✓ Executive Committee and leadership strengthened
- ✓ Investments in growth stepped-up
- ✓ BMC[1] performance management implemented
- ✓ EUR 1.1 billion cost reduction program on track
- ✓ Operating margins & Inventory management improved
- ✓ Television and Audio, Video, Multimedia & Accessories addressed
- ✓ EUR 2 billion Share buy-back completed
- ✓ Culture change gaining strong traction
- ✓ Philips Business System being implemented

Focus 2014 – 2016

Continued implementation of the PBS[2]

- Complete Culture change
- Deliver on business & market strategies
- Improve performance to drive higher growth and improved returns
- Initiate new growth (organic/ bolt-on M&A)
- Increased overhead cost reduction program to EUR 1.5 billion
- Realize End2End productivity gains and apply Lean to all end to end processes supported by new IT systems
- Deliver EUR 1 billion savings in CoGS[3] through DfX[4]
- New share buy-back program of EUR 1.5 billion

[1] Business Market Combination [2] Philips Business System [3] Cost of Goods Sold [4] Design for X; X = cost, quality, manufacturing, etc.

PHILIPS

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PHILIPS

We are a global diversified technology company

We manage a dynamic portfolio of ~40 businesses serving attractive markets of Healthcare, Personal health & well-being and Lighting

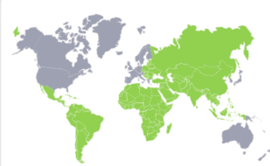
€23.5 billion sales in 2012 enabled by the **114,000+ people employed**

Over **50%** of the **portfolio** has **global leadership positions**

€1.8 billion annual investments in **innovation** and **~59,000 patents**

More than **1/4** of revenues from **recurring revenue** streams

Market **reach in over 100 countries** across the world



More than **1/3** of the revenue **from growth geographies**[1]

[1] Growth geographies are all geographies excluding USA, Canada, Western Europe, Australia, New Zealand, South Korea, Japan and Israel

PHILIPS

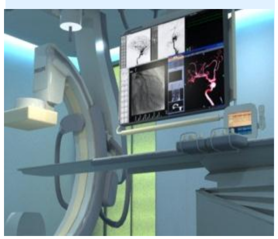
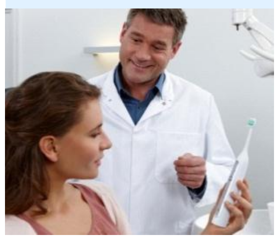
We have created a clear direction for the company

Mission	• Improving people's lives through meaningful innovation
Vision	• To make the world healthier and more sustainable through innovation • To improve the lives of 3 billion people a year by 2025 • To offer the best place to work for people who share our passion • To deliver superior value for our customers and shareholders
Guiding Statement	• Manage a dynamic portfolio of technology businesses which we build to global leadership performance • We create value through our ability to innovate with local relevance and global scale, leveraging our capabilities and deep customer insights • The Philips Business System enables us to deliver superior results as an agile, Lean, and learning organization
Brand Promise	• We deliver innovation that matters to you

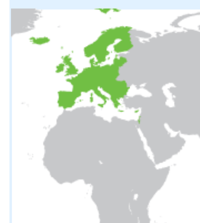
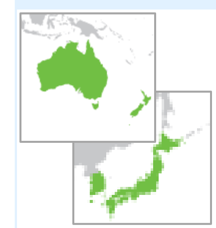
Philips: A strong diversified industrial group leading in health and well-being

Philips

Businesses[1, 2]

Healthcare	Consumer Lifestyle	Lighting
		
43%	20%	37%

Geographies[1]

Western Europe	North America	Other Mature Geographies	Growth Geographies[3]
			
25%	31%	8%	36%

Since 1891
Headquarters in Amsterdam, the Netherlands

€23.5 Billion
Sales in 2012. Portfolio consists of ~70% B2B businesses

114,000+
People employed worldwide in over 100 countries

$9.8 Billion
Brand value in 2013

8% of sales invested in R&D in 2012
59,000 patent rights, 35,000 trademark rights, 81,000 design rights

[1] Based on last twelve months sales September 2013
[2] Excluding Central sector (IG&S)
[3] Growth geographies are all geographies excluding USA, Canada, Western Europe, Australia, New Zealand, South Korea, Japan and Israel
Note - Prior-period financials revised for discontinued operations, the adoption of IAS19R and for restatements included in the Annual Report 2012 (please refer to the Annual Report section 12.10 “Significant Accounting Policies”)

PHILIPS

Executive Committee

Frans van Houten
CEO

Deborah DiSanzo
CEO Healthcare

Ron H. Wirahadiraksa
CFO

Pieter Nota
CEO Consumer Lifestyle

Carole Wainaina
Chief HR Officer

Eric Rondolat
CEO Lighting

Ronald de Jong
Chief Market Leader

Jim Andrew
Chief Strategy & Innovation Officer

Patrick Kung
CEO Greater China

Eric Coutinho
Chief Legal Officer

PHILIPS

Sustainability as a driver for growth

Success of EcoVision

Green Products represented around 47%[1] of sales in 2012, up from 40%[1] in 2011 driven by investments in Green Innovation.

EcoVision targets for 2015

- 50% of sales from Green Products
- EUR 2 billion Green Innovation investments
- To improve the lives of 2 billion people
- To improve the energy efficiency of our overall portfolio by 50%
- To double the amount of recycled materials in our products as well as to double the collection and recycling of Philips products

Recent accomplishments

- Philips was recognized as a leader in the Carbon Disclosure Project for the third consecutive year on both performance and disclosure
- Philips signed a partnership agreement with the Ellen MacArthur Foundation to leverage the benefits of the Circular Economy
- Philips has been recognized in Interbrand's annual ranking of the top 50 Best Global Green Brands, moving up eight places to the 23rd position
- Philips has been recognized Energy Star partner of the year by the US Environmental Protection Agency for our outstanding contribution to environmental protection through energy efficiency
- Philips has been ranked number 7 on the annual list of 'Global 100 Most Sustainable Corporations in the World' issued by Corporate Knights – up 6 places from last year

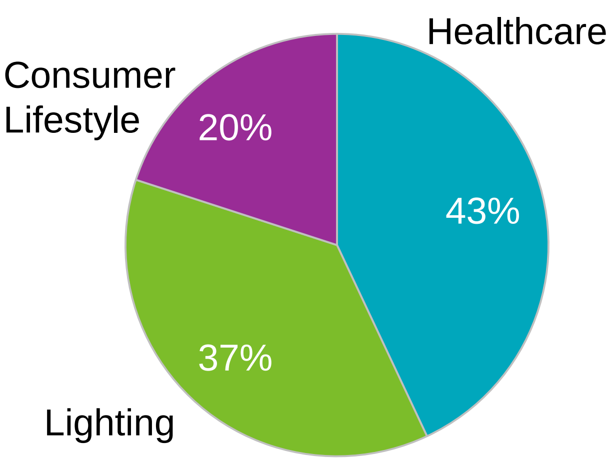
[1] Excluding the Audio, Video, Multimedia and Accessories business

Our focused health and well-being portfolio: Healthcare, Consumer Lifestyle and Lighting

Last twelve months

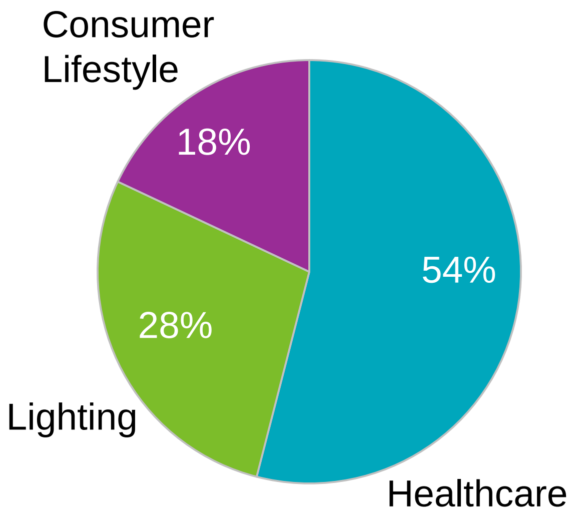
Sales

100% = EUR 22.6B[1]



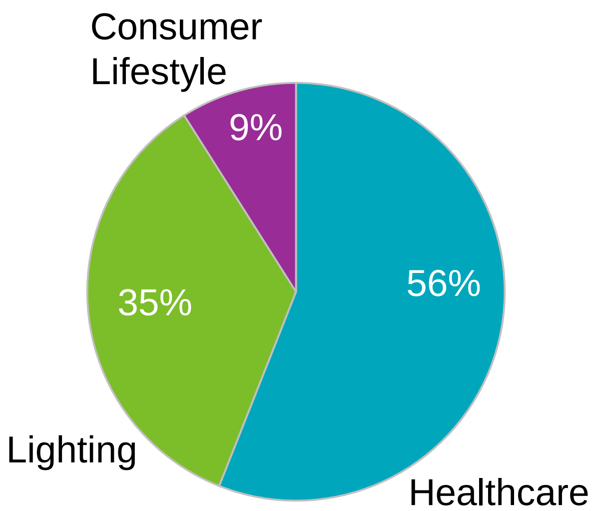
Adjusted EBITA

100% = EUR 2.6B[1, 2]



Net Operating Capital

100% = EUR 13.4B[1]



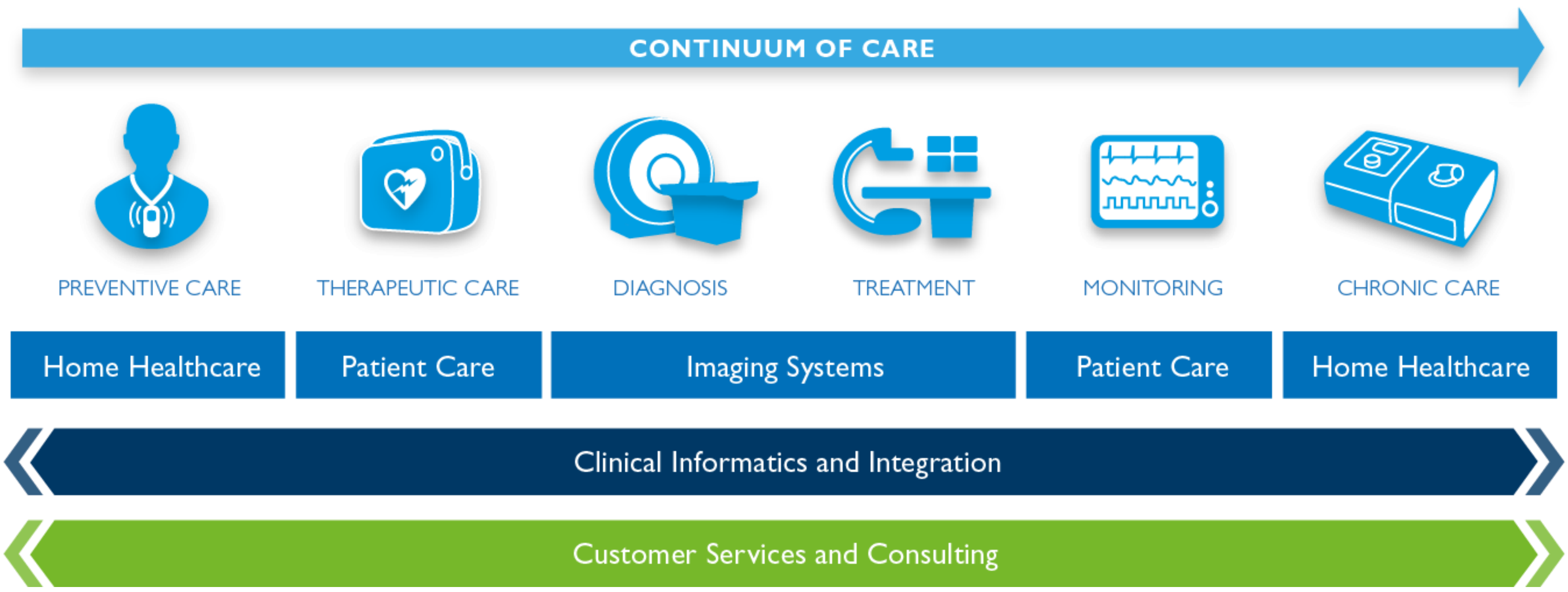
[1] Excluding Central sector (IG&S)
[2] EBITA adjustments based on the following gains/ charges: for Healthcare EUR (35)M, Consumer Lifestyle EUR (38)M and Lighting EUR (275)M
Note - Prior-period financials revised for discontinued operations, the adoption of IAS19R and for restatements included in the Annual Report 2012 (please refer to the Annual Report section 12.10 “Significant Accounting Policies”)

PHILIPS

Philips Healthcare Guiding Statement

We are dedicated to creating the future of health care and saving lives.

We develop innovative solutions across the continuum of care in partnership with clinicians and our customers to improve patient outcomes, provide better value and expand access to care.

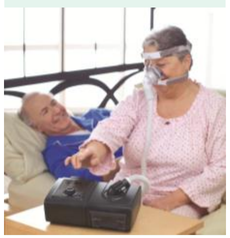
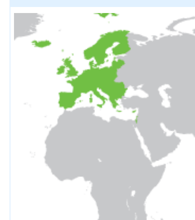
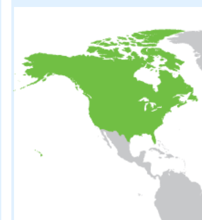


PHILIPS

Healthcare

What we do. Where we are.

Philips Healthcare

Businesses[1]				Geographies[1]			
Imaging Systems	Home Healthcare Solutions	Patient Care & Clinical Informatics	Customer Services	Western Europe	North America	Other Mature Geographies	Growth Geographies[2]
							
37%	15%	22%	26%	20%	43%	12%	25%

€10.0
Billion sales in 2012

37,000+
People employed worldwide in 100 countries

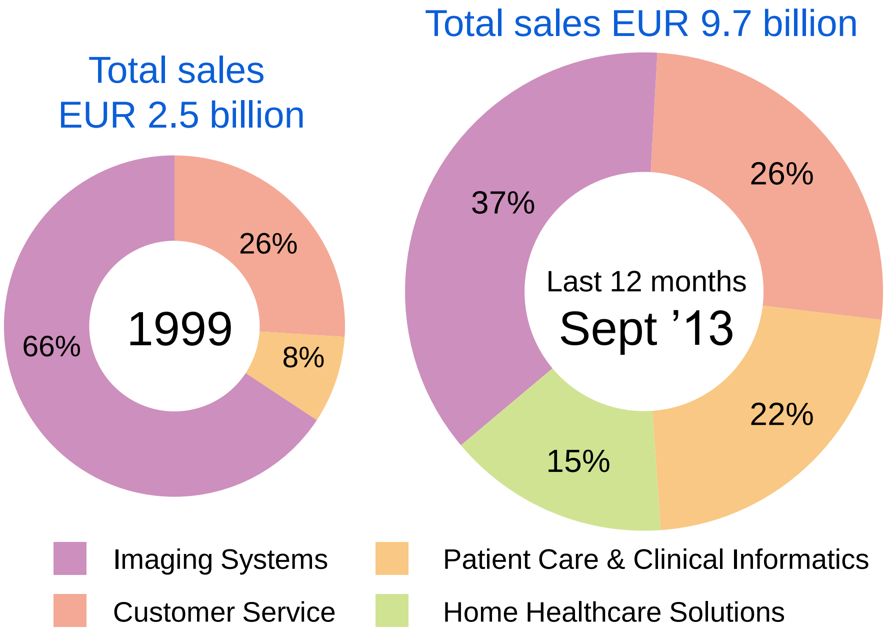
8%
of sales invested in R&D in 2012

450+
Products & services offered in over 100 countries

[1] Based on last twelve months sales September 2013
[2] Growth geographies are all geographies excluding USA, Canada, Western Europe, Australia, New Zealand, South Korea, Japan and Israel
Note - Prior-period financials revised for discontinued operations, the adoption of IAS19R and for restatements included in the Annual Report 2012 (please refer to the Annual Report section 12.10 “Significant Accounting Policies”)

Healthcare: Accelerate performance

- Driving to co-leadership in Imaging Systems and leadership in Patient Care & Clinical Informatics
- Invest for leadership in growth geographies[1]
- International expansion of the home healthcare business
- Drive operational excellence through Accelerate! to increase margins and reduce time-to-market



[1] Growth geographies are all geographies excluding USA, Canada, Western Europe, Australia, New Zealand, South Korea, Japan and Israel

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Health care industry dynamics will drive demand

Sharp rise in incidence of chronic disease and non-communicable lifestyle diseases

Globally, 36 million of the 57 million deaths are due to chronic and non-communicable disease

Approximately 80% of non-communicable disease deaths—29 million—occur in growth geographies[1]

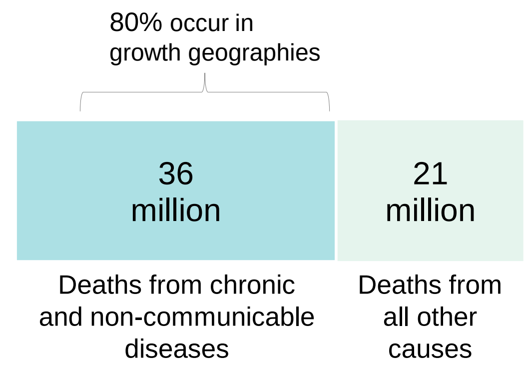
An aging population

World's population of people 60 years+ has doubled since 1980 and is forecast to reach 2 billion by 2050

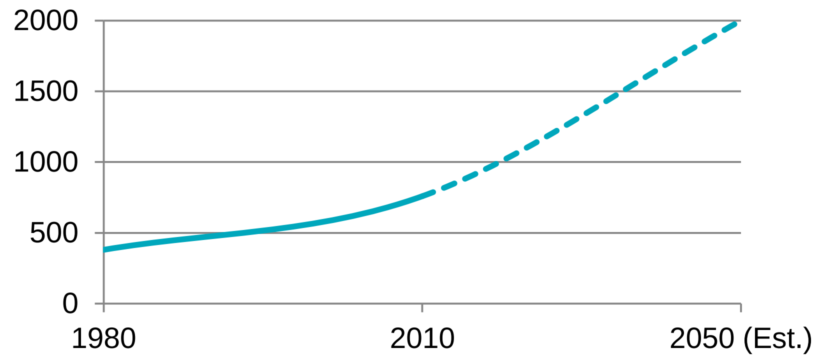
Access to care and clinician shortage

Recognized as one of the main obstacles to delivery of effective health services

Causes of death globally (2008)



World population age 60+ (Millions)



[1] Growth geographies are all geographies excluding USA, Canada, Western Europe, Australia, New Zealand, South Korea, Japan and Israel

Source: World Health Organization data and statistics http://www.who.int/gho/ncd/mortality_morbidity/en/index.html, http://www.who.int/features/factfiles/ageing/en/index.html, and http://www.who.int/workforcealliance/media/qa/01/en/

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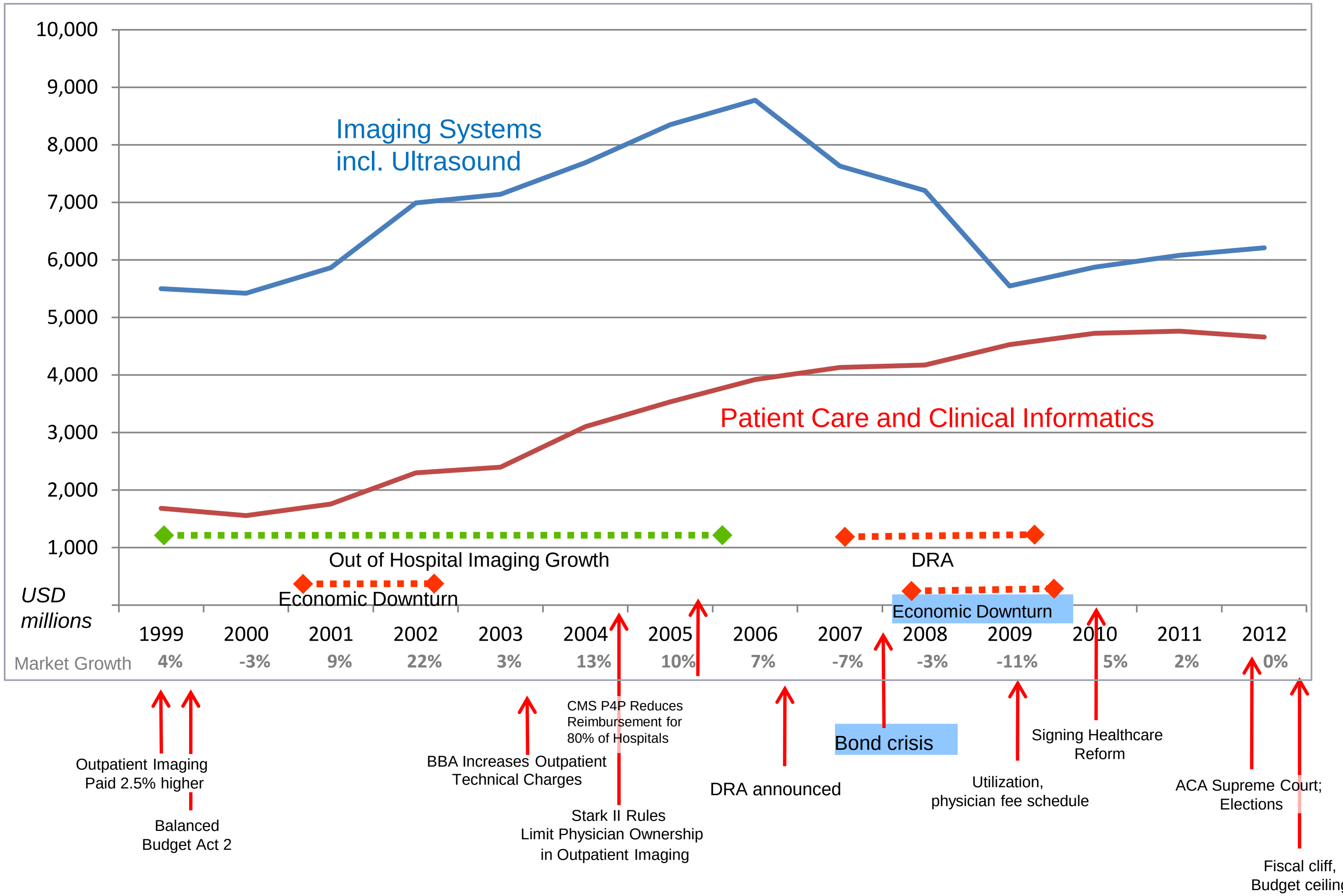
Health care historical market development

North America Market Size/ Growth and Impacts



Philips current expectation for the US Imaging Systems market for 2013-2015 is low-single-digit growth

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Health care market developments in the US

Short Term

	Imaging Systems	Patient Care & Clinical Informatics	Home Healthcare Solutions
• Economic uncertainties	unfavorable	unfavorable	unfavorable
• Medical Device Excise Tax	unfavorable	unfavorable	N.A.
• CB2 in HHS[1]	N.A.	N.A.	unfavorable
• Capital spending hospitals	neutral	positive	N.A.
• Sequestration	neutral	neutral	neutral

Medical Device Excise Tax	Applies to ~55% of our US sales; impact largely mitigated through cost and value chain measures
CB2 in HHS[1]	Impacts ~ 7% of our global HHS business, ~1% of the total global Healthcare revenue
Capital spending	Expected to be flat to low-single-digit growth; continued focus on IT upgrades; beneficial to PCCI
Sequestration	2% reduction in Medicare payments; Medicaid exempt; minor impact on growth ~3bps

[1] Competitive Bidding Round 2 in Home Healthcare Solutions

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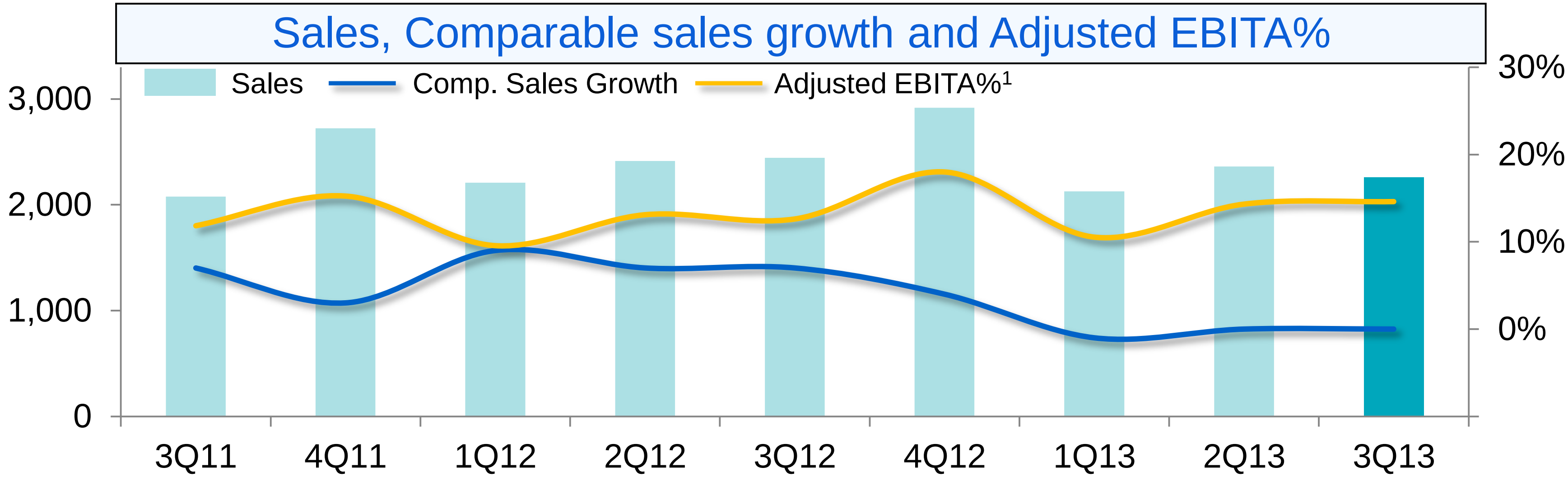
Health care market developments in the US

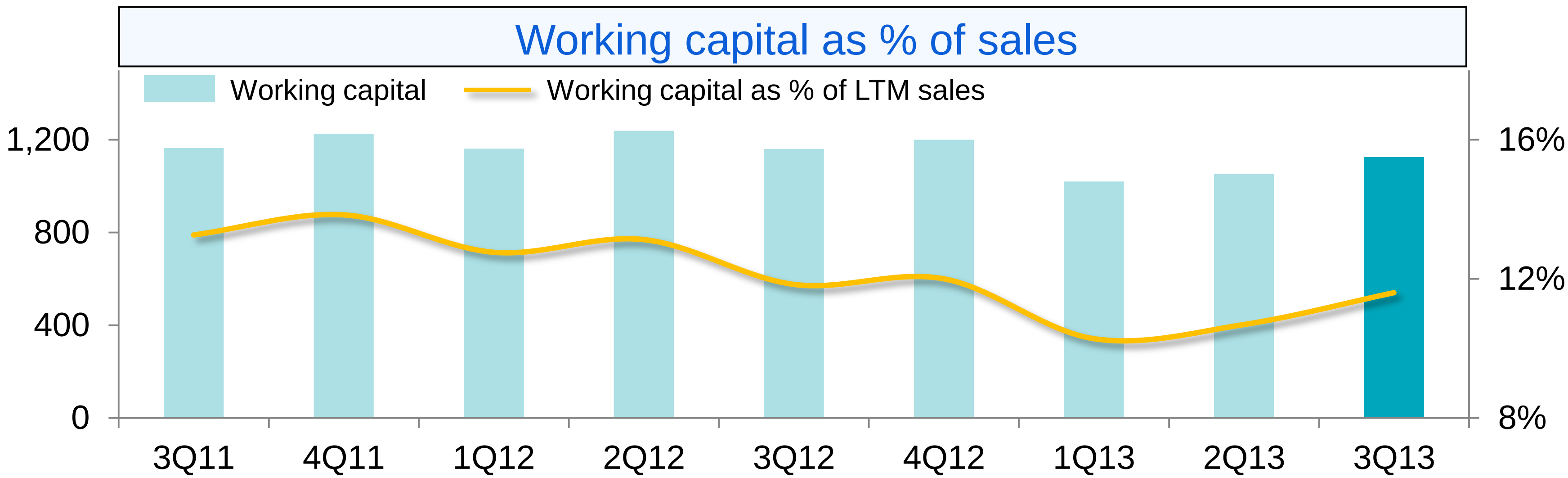
Mid to Long- Term	Imaging Systems	Patient Care & Clinical Informatics	Home Healthcare Solutions
• Health care demographics	positive	positive	positive
• Aging of equipment base	positive	positive	positive
• Affordable Care Act (ACA)	unfavorable	neutral	neutral
• Meaningful use	neutral	positive	N.A.
• Improved care at lower cost	neutral	positive	positive

ACA Implementation (Affordable Care Act)	• 25 - 30 million additional patients into the health care system • Payments linked to quality improvements and lower integral patient cost vs. current 'Fee for Service' model • Drive for more cost efficient care settings: "Hospital-to-Home" • Reimbursement and other cuts will have an overall negative impact on Imaging Systems, relatively neutral impact on other businesses
Meaningful use	Favorable to our PCCI business
Improved quality of care at lower cost	Reimbursement changes will increase need for solutions and consulting services; positive impact for our PCCI and HHS business; increased need for value offerings in Imaging Systems

Healthcare: Financials over the last two years

EUR million





[1] Adjusted EBITA is EBITA corrected for incidental charges (details on slide 94)

Note - Prior-period financials revised for discontinued operations, the adoption of IAS19R and for restatements included in the Annual Report 2012 (please refer to the Annual Report section 12.10 “Significant Accounting Policies”)

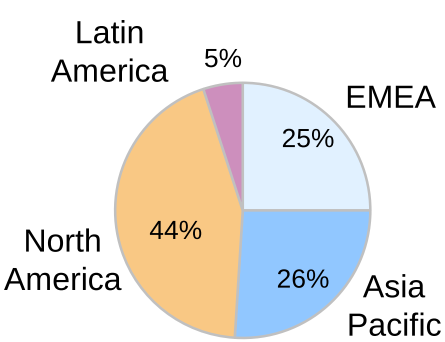
Healthcare: Q3 2013 Sector analysis

EUR million

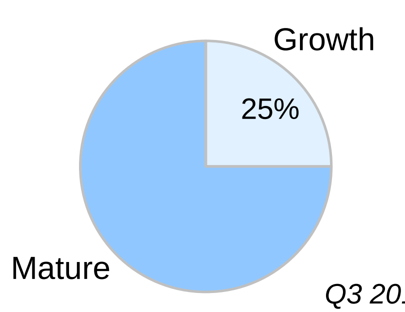
Key figures

	3Q12	2Q13	3Q13
Sales	2,443	2,362	2,258
% sales growth comp.	*7*	*0*	*0*
EBITA	305	420	329
EBITA as % of sales	*12.5*	*17.8*	*14.6*
EBIT	255	379	283
EBIT as % of sales	*10.4*	*16.0*	*12.5*
NOC	8,261	7,684	7,525
Employees (FTEs)	38,228	37,270	37,569

Sales per region



Growth Geographies[1]



Q3 2013

Financial performance

- Currency-comparable equipment orders declined 2% y-o-y. Patient Care & Clinical Informatics recorded a 7% decline, while Imaging Systems showed low-single-digit growth. Equipment order intake in growth geographies showed a low-single-digit decline, mainly due to Russia & Central Asia, while China and India recorded double-digit growth. NA equipment order intake showed a low-single-digit decline. Western Europe recorded a 7% decline as Q3 2012 included large and multi-year deals in the Netherlands and UK.
- Healthcare comp. sales remained flat y-o-y. Customer Services achieved mid-single-digit growth, while Home Healthcare Solutions and Patient Care & Clinical Informatics showed low-single-digit growth. Imaging Systems recorded a mid-single-digit decline. From a regional perspective, comparable sales in growth geographies increased by 3% year-on-year, with strong growth in China, Central & Eastern Europe and Latin America, partly offset by declines in Russia, Central Asia, Middle East and Turkey. Western Europe remained in line with Q3 2012, while North America declined by 2% and other mature geographies recorded low-single-digit growth.
- EBITA was EUR 329 million, or 14.6% of sales, compared to EUR 305 million, or 12.5% of sales, in Q3 2012. Excluding restructuring and acquisition-related charges, EBITA amounted to EUR 330 million, or 14.6% of sales, compared to EUR 308 million, or 12.6% of sales, in Q3 2012. The 2.0 percentage points increase was due to improved gross margins and overhead cost reductions.
- Net operating capital, excluding a negative currency translation effect of EUR 547 million, decreased by EUR 189 million to EUR 7.5 billion. This decrease was largely driven by lower fixed assets. Inventories as a percentage of sales improved by 1.2 percentage points year-on-year, driven by reductions in all businesses. Compared to Q3 2012, the number of employees decreased by 659, mainly as a result of reductions in North America and Europe.

[1] Growth geographies are all geographies excluding USA, Canada, Western Europe, Australia, New Zealand, South Korea, Japan and Israel

Note - Prior-period financials revised for discontinued operations, the adoption of IAS19R and for restatements included in the Annual Report 2012 (please refer to the Annual Report section 12.10 "Significant Accounting Policies")

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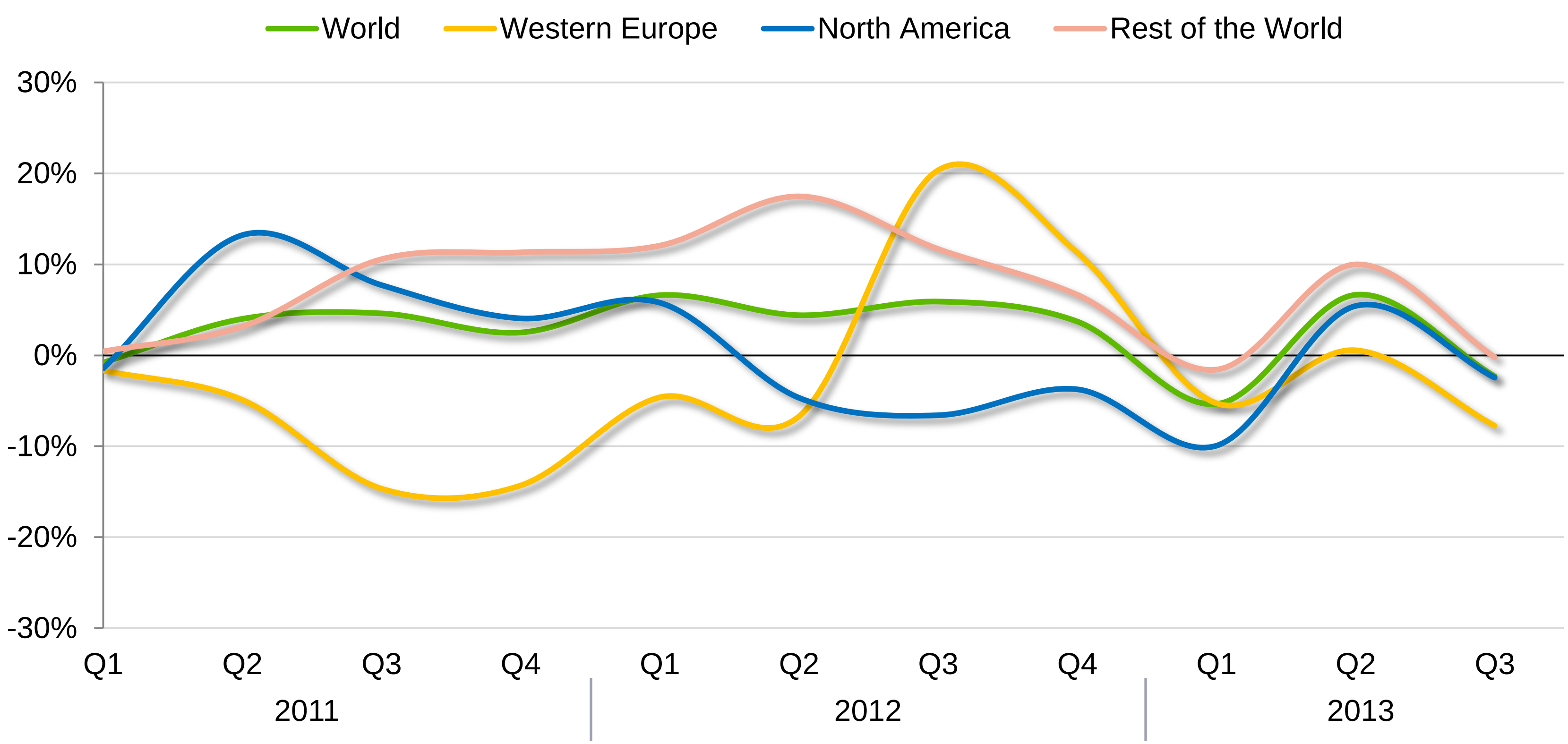
Healthcare: Equipment order intake

Quarterly currency adjusted equipment order intake[1]



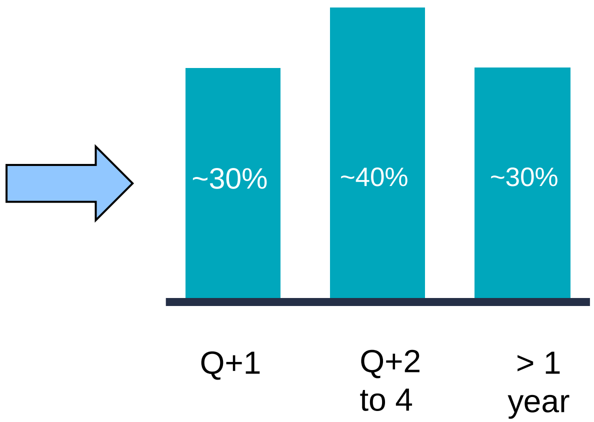
Currency adjusted order intake only relates to the Imaging Systems and Patient Care & Clinical Informatics businesses

[1] For comparability purposes, prior-period equipment order intake has been restated where necessary

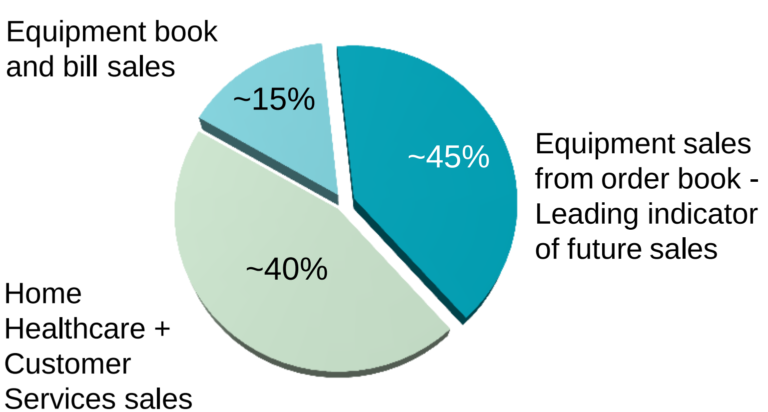
Healthcare: Equipment order book

Indexed Equipment Order Book Development

Typical profile of equipment order book conversion to sales



Quarter end equipment order book is a leading indicator for ~45% of sales the following quarters



- Approximately 70% of the current order book results in sales within next 12 months

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Philips Consumer Lifestyle Guiding Statement

We deliver innovative Personal Health and Well-being appliances and services.

We leverage deep consumer insights and smart technology.

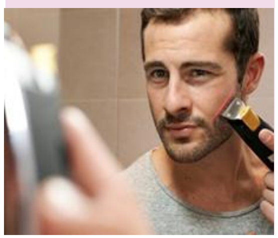
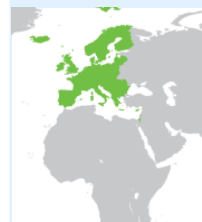
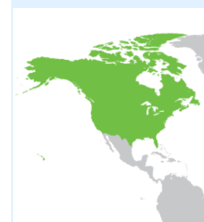
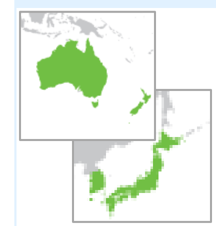
We are committed to deliver the best customer experience and be the preferred brand where we compete.

In combination with our global scale, local market relevance and superior execution, this enables us to create long term value.

Consumer Lifestyle

What we do. Where we are.

Philips Consumer Lifestyle

Businesses[1, 2]			Geographies[1]			
Personal Care	Health & Wellness	Domestic Appliances	Western Europe	North America	Other Mature Geographies	Growth Geographies[3]
						
33%	20%	46%	29%	17%	7%	47%

€4.3
Billion sales in 2012

16,000+
People employed worldwide

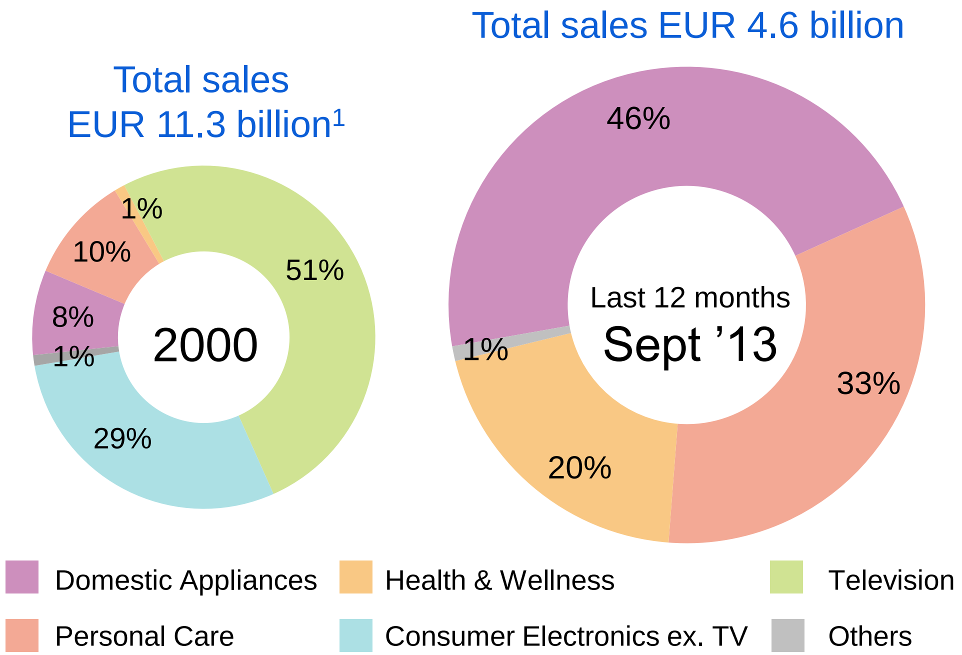
6%
of sales invested in R&D in 2012

36%
of green product sales in 2012

[1] Based on last twelve months sales September 2013
[2] Other category (1%) is omitted from this overview
[3] Growth geographies are all geographies excluding USA, Canada, Western Europe, Australia, New Zealand, South Korea, Japan and Israel
Note - Prior-period financials revised for discontinued operations, the adoption of IAS19R and for restatements included in the Annual Report 2012 (please refer to the Annual Report section 12.10 “Significant Accounting Policies”)

Consumer Lifestyle: delivering strong growth and improving profitability

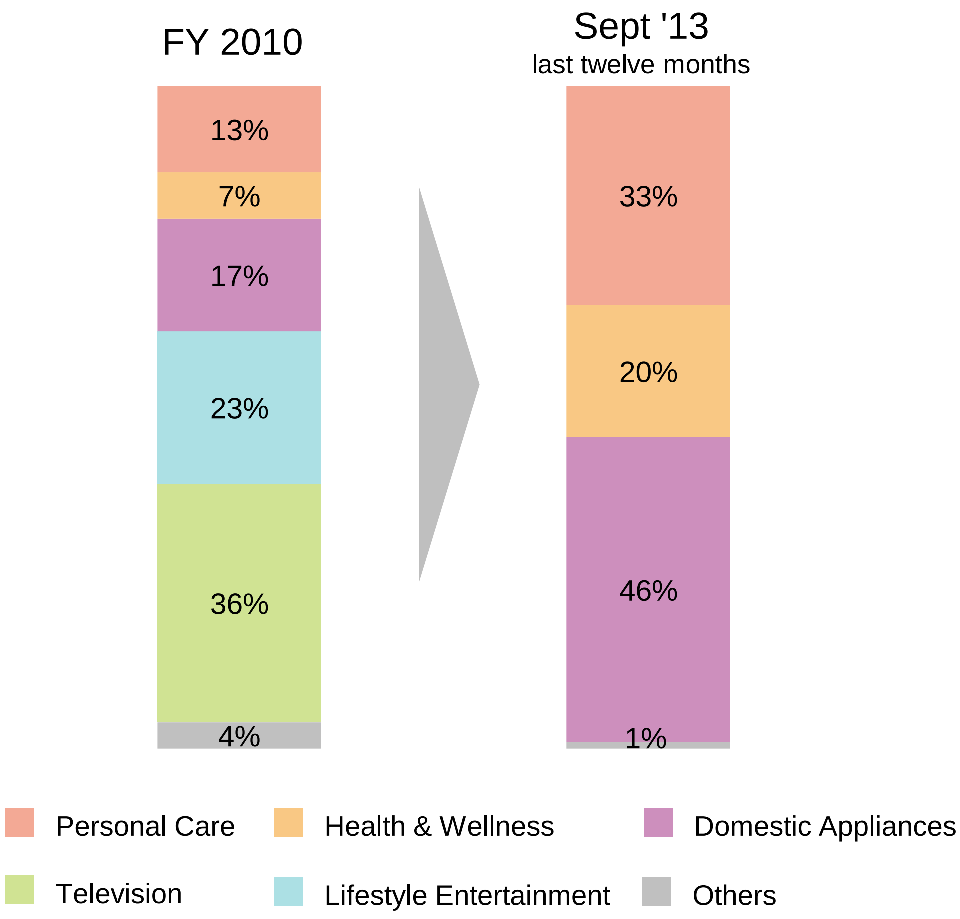
- Renewed portfolio further focusing on Personal Health and Well-being
- Strengthening core businesses through locally relevant innovations, global platforms and addressing geographical white spots
- Expanding to new business adjacencies in the domain of Personal Health and Well-being



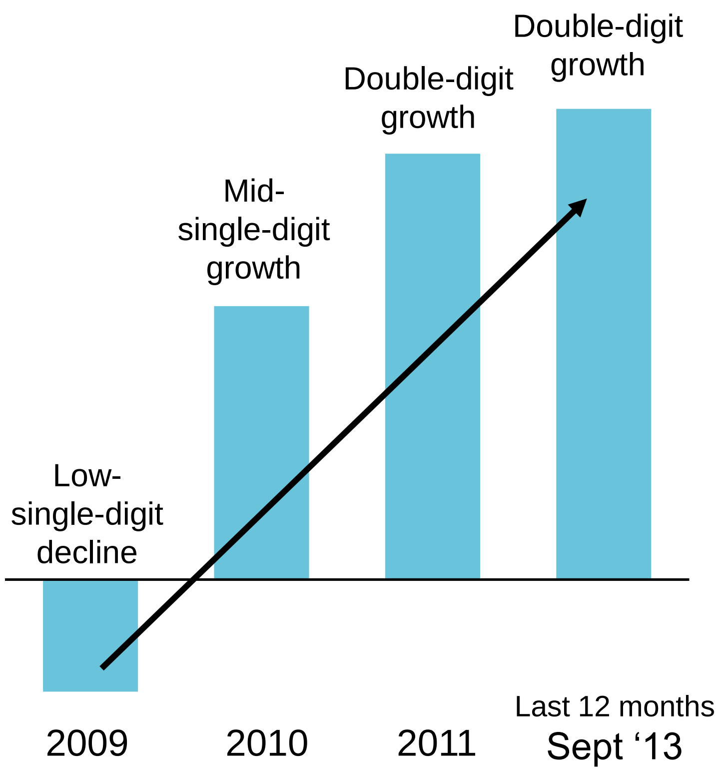
[1] DAP and Mainstream part of Consumer Electronics in 2000 only

After significant portfolio rationalization we are further focusing on Personal Health and Well-being

Consumer Lifestyle Sales Mix



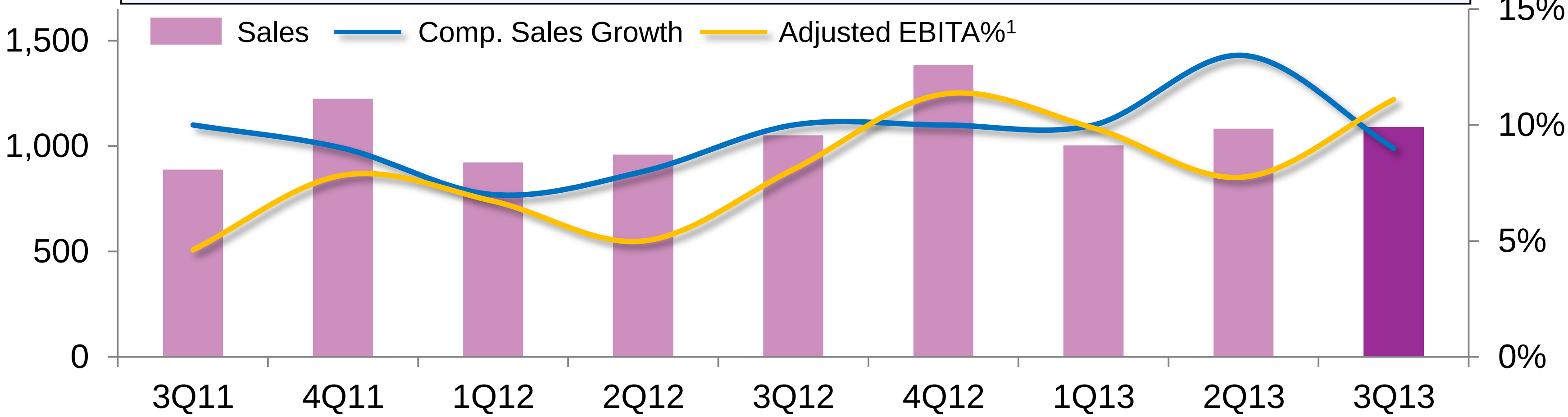
We see strong growth in the Consumer Lifestyle portfolio



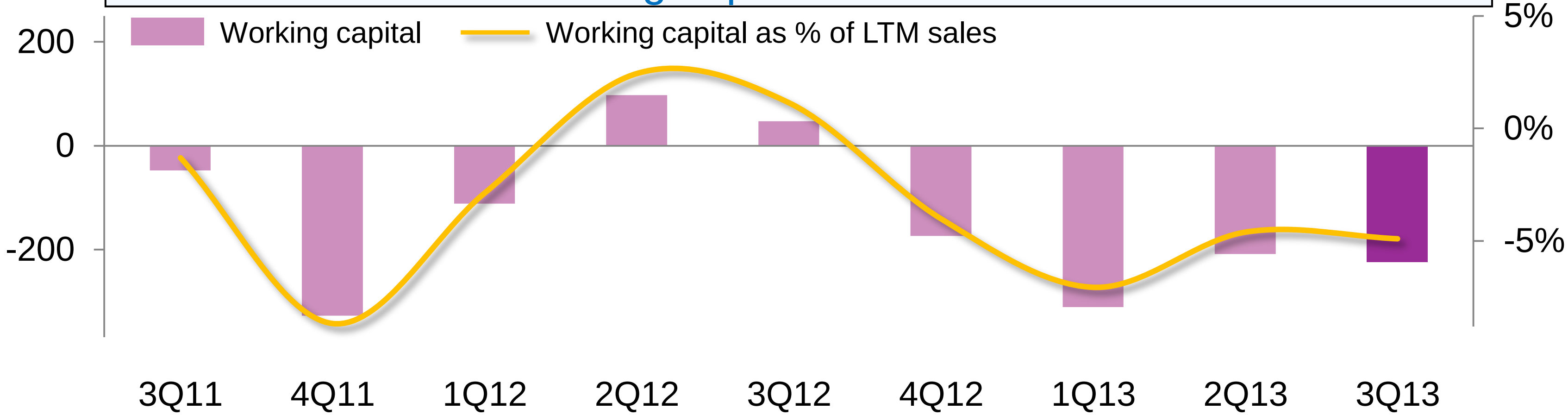
Consumer Lifestyle: Financials over the last two years

EUR million

Sales, Comparable sales growth and Adjusted EBITA%



Working capital as % of sales[2]



[1] Adjusted EBITA is EBITA corrected for incidental charges (details on slide 94)

[2] Working capital includes residual balance of discontinued operations

Note - Prior-period financials revised for discontinued operations, the adoption of IAS19R and for restatements included in the Annual Report 2012 (please refer to the Annual Report section 12.10 “Significant Accounting Policies”)

We are further building our leadership positions in these categories

Personal Care

Male Grooming

- 40% of SensoTouch and AquaTouch users recruited from blade, in total recruited 5% new shaving users this year[1]
- Increasing our share in the total Male Grooming market (including blade), strengthening our leading position
- Further strengthening leadership in China; expanding into lower tier cities

Beauty

- Leadership positions[2] in Hair Care in growth geographies[3]
- Continuing to strengthen #1 position in Intense Pulsed Light (IPL) hair removal in Europe
- VisaPure cleansing brush successfully launched in 15 markets

Health & Wellness

Oral Healthcare

- Enhancing geographic growth with strong market share increase outside US
- Converting more manual users to electric, entering manual aisle with PowerUp battery in the US
- Launching new FlexCare Platinum, high consumer ratings

Mother & Childcare

- Natural range launched globally, with significant profitability improvement
- Strengthening geographic footprint with strong growth in key markets such as China
- #1 Market position in many markets

[1] Based on top 10 BMC's (Business Market Combination) sell-in volumes corrected for average shaver lifetime
[2] Global or Regional #1 or #2 position
[3] Growth geographies are all geographies excluding USA, Canada, Western Europe, Australia, New Zealand, South Korea, Japan and Israel
Source: GfK, Nielsen, YTD and MAT June 2013

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We are further building our leadership positions in these categories

Domestic Appliances

Kitchen Appliances

- Double-digit growth in the first three quarters of 2013 driven by strong innovation
- Acquisitions and local product creation drive a significant increase of new product offers
- Leadership in key markets strengthened through local relevance

Garment Care

- Optimal Temp innovation (non-thermostat iron) confirms global leadership in steam generators
- Locally relevant innovations like steamers drive leadership in China and expand portfolio globally

Coffee

- Revamped full automatic Espresso portfolio and strong product pipeline enables us to win in the espresso domain
- Regaining espresso market share in the #1 espresso market, DACH[1]
- Ready to work with new owners of D.E. Master Blenders 1753, further building the Senseo business
- Created an alliance with Tchibo for our Saeco brand in espresso capsules

[1] Germany, Austria, Switzerland
Source: GfK, Nielsen, YTD and MAT June 2013

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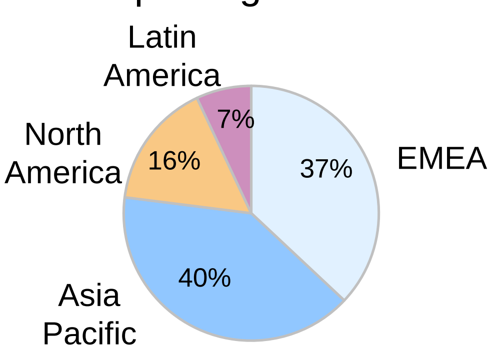
Consumer Lifestyle: Q3 2013 Sector analysis

EUR million

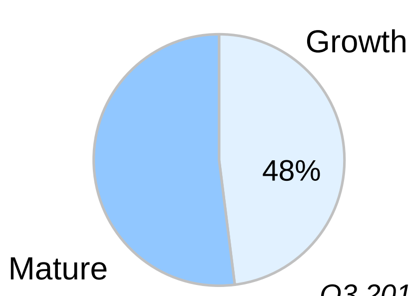
Key figures

	3Q12	2Q13	3Q13
Sales	1,051	1,083	1,091
% sales growth comp.	*10*	*13*	*9*
EBITA	78	82	116
EBITA as % of sales	*7.4*	*7.6*	*10.6*
EBIT	63	69	102
EBIT as % of sales	*6.0*	*6.4*	*9.3*
NOC	1,443	1,182	1,164
Employees (FTEs)	17,125	16,414	16,326

Sales per region



Growth Geographies[1]



Q3 2013

Financial performance

- Consumer Lifestyle comparable sales increased by 9%. Strong double-digit comparable sales growth was seen at Health & Wellness, while Domestic Appliances showed high-single-digit growth and Personal Care recorded mid-single-digit growth. From a regional perspective, Consumer Lifestyle achieved a strong double-digit comparable sales increase in growth geographies and mid-single-digit growth in mature geographies. North America showed high-single-digit growth, while Western Europe remained in line with Q3 2012.
- EBITA amounted to EUR 116 million, or 10.6% of sales, an increase of EUR 38 million and 3.2 percentage points compared to Q3 2012. Excluding restructuring and acquisition-related charges, EBITA was EUR 121 million, or 11.1% of sales, compared to EUR 85 million, or 8.1% of sales, in Q3 2012. The improvement of 3.0 percentage points was largely attributable to operating leverage from higher sales and improved gross margins across all businesses.
- EBITA included EUR 7 million of net costs formerly reported in discontinued businesses (Q3 2012 included EUR 9 million related to the Audio, Video, Multimedia and Accessories business and EUR 7 million related to the Television business).
- Net operating capital, excluding a negative currency translation effect of EUR 79 million, decreased by EUR 200 million year-on-year. The decrease was largely driven by lower working capital. The number of employees decreased by 799 year-on-year, as a result of the seasonal outflow of temporary industrial personnel, mainly in the Domestic Appliances business in the Asian region.

[1] Growth geographies are all geographies excluding USA, Canada, Western Europe, Australia, New Zealand, South Korea, Japan and Israel

Note - Prior-period financials revised for discontinued operations, the adoption of IAS19R and for restatements included in the Annual Report 2012 (please refer to the Annual Report section 12.10 "Significant Accounting Policies")

Philips Lighting Guiding Statement

We are improving people's lives with light by delivering unique value and energy efficient solutions to consumers and professional customers, every day, everywhere.

We are using deep customer insights and technological innovations, coupled with our trusted brand and global leadership positions, to lead the digital lighting revolution.

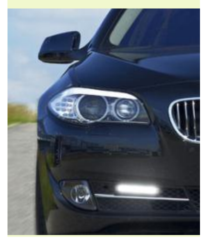
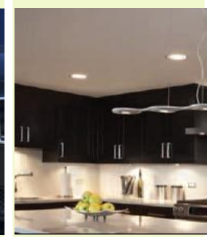
PHILIPS

Lighting

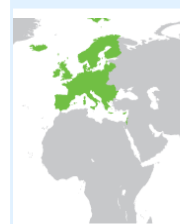
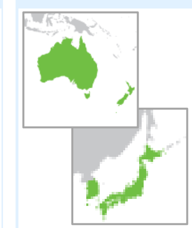
What we do. Where we are.

Philips Lighting

Businesses[1]

Light Sources & Electronics	Professional Lighting Solutions	Lumileds	Automotive	Consumer Luminaires
				
52%	28%	5%	10%	5%

Geographies[1]

Western Europe	North America	Other Mature Geographies	Growth Geographies[2]
			
28%	24%	5%	43%

€8.4
Billion sales in 2012

47,000+
People employed worldwide in 60 countries

5%
of sales invested in R&D in 2012

80,000+
Products & services offered in 2012

[1] Based on last twelve months sales September 2013
[2] Growth geographies are all geographies excluding USA, Canada, Western Europe, Australia, New Zealand, South Korea, Japan and Israel
Note - Prior-period financials revised for discontinued operations, the adoption of IAS19R and for restatements included in the Annual Report 2012 (please refer to the Annual Report section 12.10 "Significant Accounting Policies")

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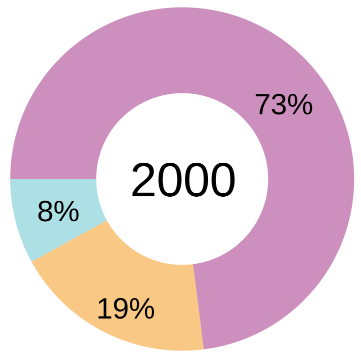
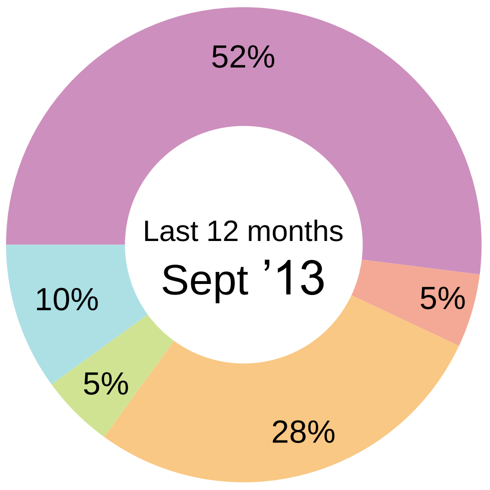
Lighting: Improve profitability on the path to LED, systems & services

- Shape the future of Digital lighting through game-changing innovation, systems and services
- Margin management, structural cost savings and rationalize industrial footprint
- Continue improving performance and execution to extract long term value

Total sales EUR 4.9 billion[1]



Total sales EUR 8.4 billion



Light Sources & Electronics
Professional Lighting Solutions
Consumer Luminaires
Automotive
Lumileds

[1] Excluding batteries EUR 0.2 billion

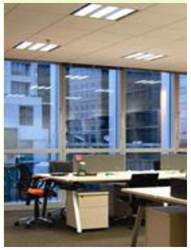
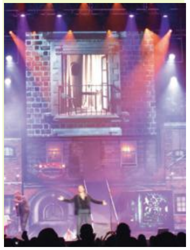
PHILIPS

We increase our focus towards the people we serve

Further strengthening our global leadership in Lighting

Philips Lighting

Customer Segments[1]

Homes	Offices	Outdoor	Industry	Retail	Hospitality	Entertainment	Healthcare	Automotive
								
27%	13%	20%	8%	13%	2%	4%	3%	10%

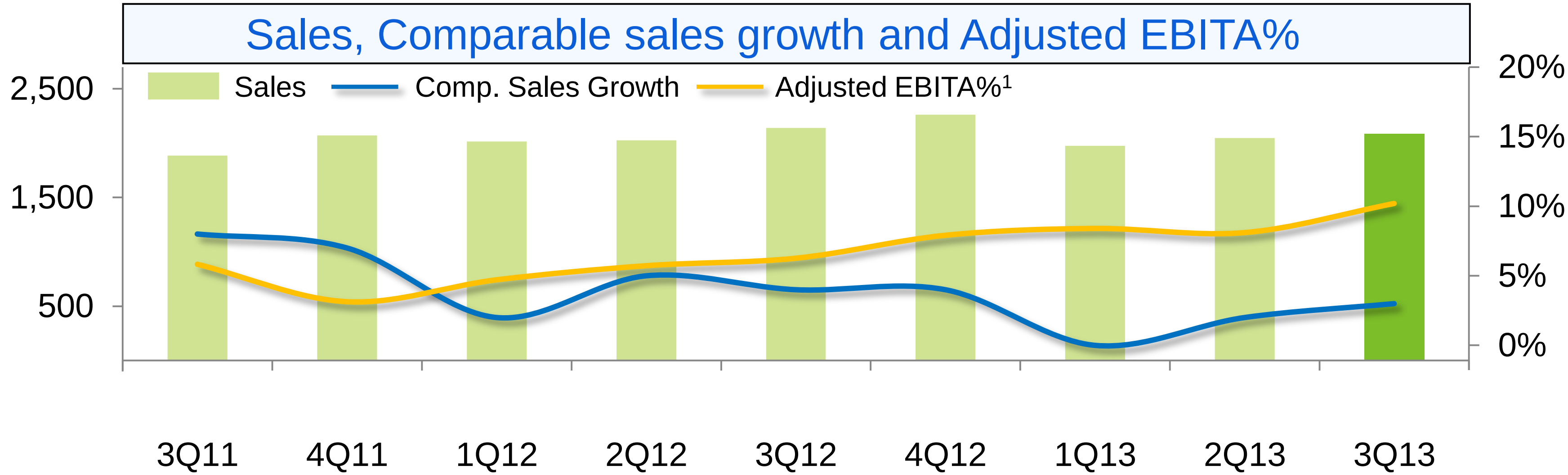
- ~ 75% of Lighting sales is B2B
- ~ 25% of the Lighting portfolio is LED lighting

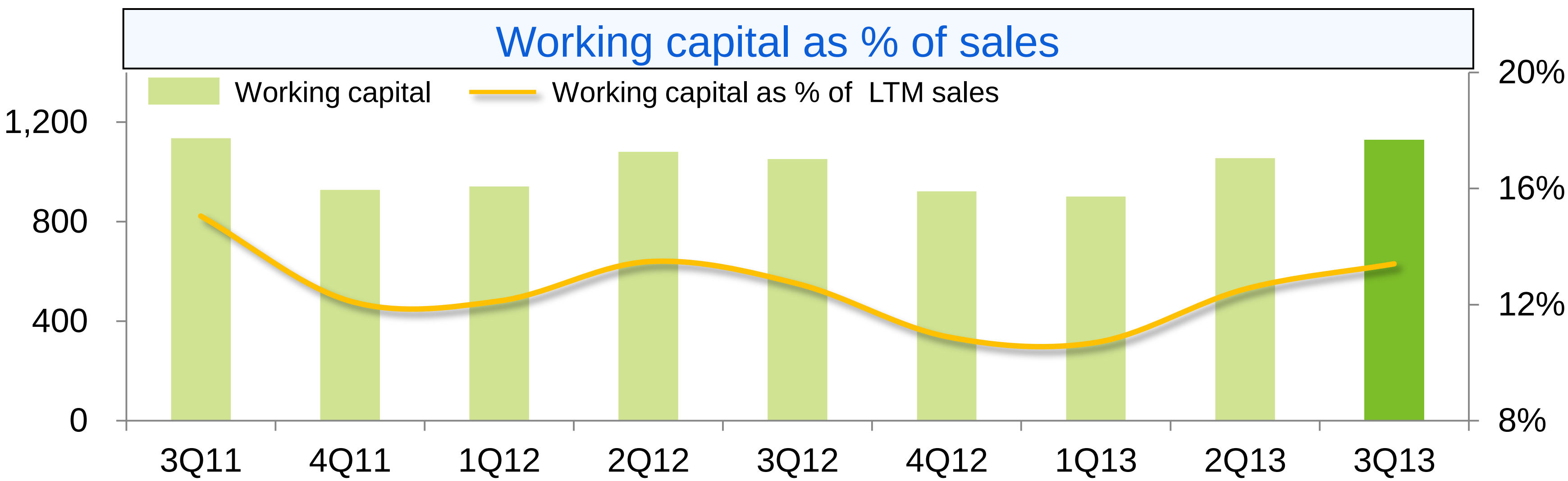
[1] Indicative split based on last twelve months September 2013

Note - Prior-period financials revised for discontinued operations, the adoption of IAS19R and for restatements included in the Annual Report 2012 (please refer to the Annual Report section 12.10 "Significant Accounting Policies")

Lighting: Financials over the last two years

EUR million





[1] Adjusted EBITA is EBITA corrected for incidental charges (details on slide 94)

Note - Prior-period financials revised for discontinued operations, the adoption of IAS19R and for restatements included in the Annual Report 2012 (please refer to the Annual Report section 12.10 “Significant Accounting Policies”)

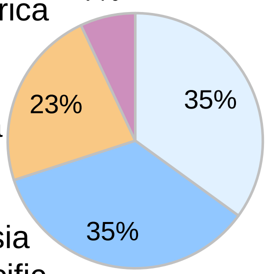
Lighting: Q3 2013 Sector analysis

EUR million

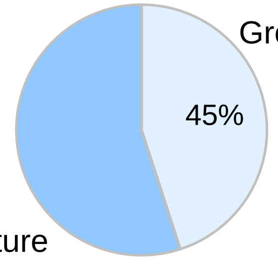
Key figures

	3Q12	2Q13	3Q13
Sales	2,139	2,048	2,084
% sales growth comp.	*4*	*2*	*3*
EBITA	32	153	177
EBITA as % of sales	*1.5*	*7.5*	*8.5*
EBIT	(14)	115	140
EBIT as % of sales	*(0.7)*	*5.6*	*6.7*
NOC	5,051	4,732	4,668
Employees (FTEs)	51,751	49,148	47,875

Sales per region



Growth Geographies[1]



Q3 2013

Financial performance

- Comparable sales were 3% higher year-on-year, led by double-digit growth at Lumileds and Automotive. Light Sources & Electronics achieved low-single-digit growth, while Professional Lighting Solutions and Consumer Luminaires recorded a low-single-digit decline. From a regional perspective, comparable sales showed a double-digit increase in growth geographies (10% increase in comparable sales excluding OEM Lumileds sales), which was partially offset by a mid-single-digit decrease in mature geographies. LED-based sales grew 33% compared to Q3 2012, and now represent 30% of total Lighting sales.
- EBITA amounted to EUR 177 million, compared to EUR 32 million in Q3 2012. Earnings in Q3 2013 were impacted by restructuring and acquisition-related charges of EUR 36 million (Q3 2012: EUR 102 million, including a EUR 34 million loss on the sale of industrial assets). The year-on-year EBITA increase was driven by higher gross margins and improvements in the cost structure.
- EBITA, excluding restructuring and acquisition-related charges and other losses, was EUR 213 million, or 10.2% of sales (Q3 2012: EUR 134 million, or 6.3% of sales). Light Sources & Electronics, Professional Lighting Solutions and Lumileds were the main contributors to the operational improvement.
- Net operating capital, excluding a negative currency translation effect of EUR 227 million, decreased by EUR 156 million year-on-year. The decrease was largely driven by provisions and lower fixed assets. Inventories as a percentage of sales improved by 0.2 percentage points year-on-year. Compared to Q3 2012, the number of employees decreased by 3,876, mainly due to the rationalization of the industrial footprint.

[1] Growth geographies are all geographies excluding USA, Canada, Western Europe, Australia, New Zealand, South Korea, Japan and Israel

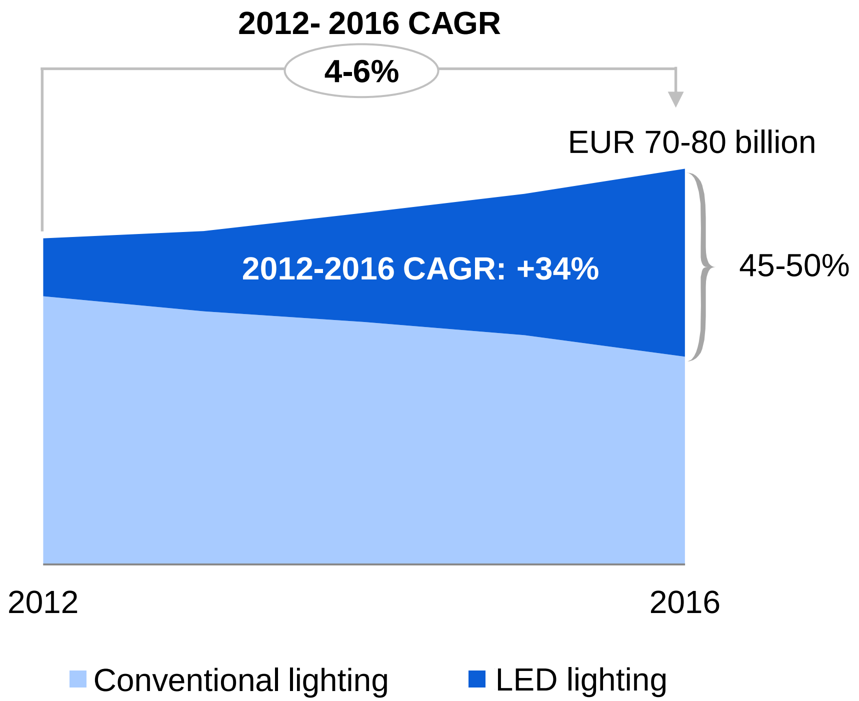
Note - Prior-period financials revised for discontinued operations, the adoption of IAS19R and for restatements included in the Annual Report 2012 (please refer to the Annual Report section 12.10 "Significant Accounting Policies")

PHILIPS

The lighting market is fundamentally attractive with expected growth of 4-6% CAGR until 2016

The lighting market is growing steadily with an attractive profit pool which will drive value creation

Global lighting product-related market forecast[1]:



We are pushing the boundaries of lighting by driving innovative systems and services

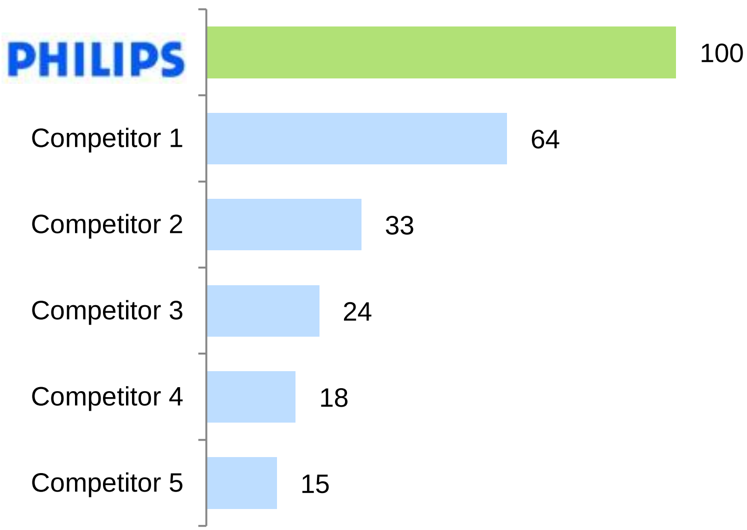
- Overall global product-related lighting market offers sustainable long-term growth, driven by 3 majors trends:
  - The world needs more light
  - The world needs more energy-efficient light
  - The world needs more digital light
- Conventional lighting is contracting by mid-single-digit CAGR (2012-2016)
- LED penetration progressing fast at +34% CAGR (2012-2016)
- Added value of systems and services delivering significantly higher margin profile and additional opportunity to current product-related market

[1] Source: Philips Lighting global market study 2013. Excluding Automotive Lighting and LED components market

We are the global leader in lighting

We are the largest lighting company in the world …

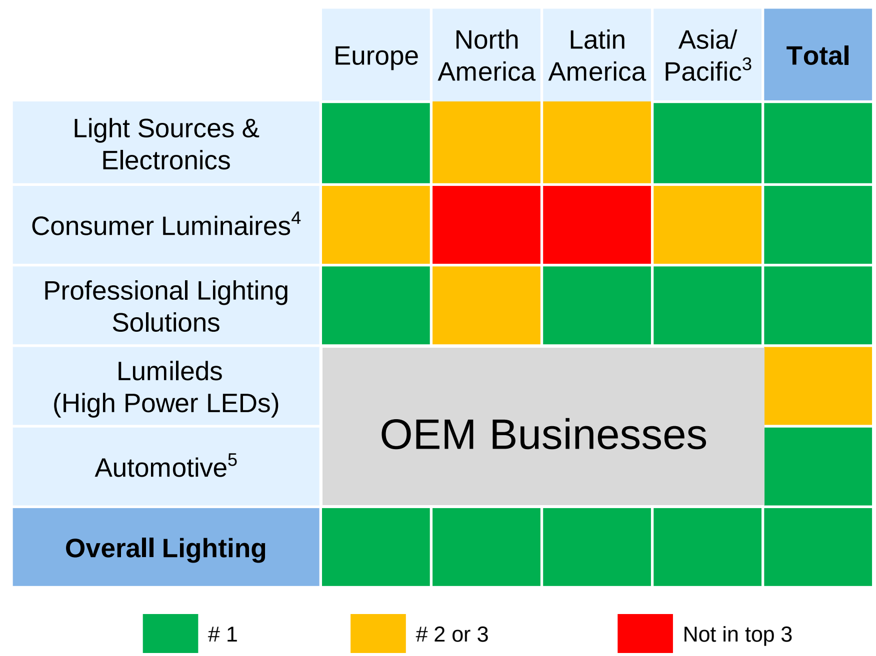
Indexed sales of Philips Lighting and Top 5 competitors[1]



We are #1 in sold LED lighting globally

… with market leadership positions across all categories and regions

Market share per Business Group by Region as per Q2 2013[2]



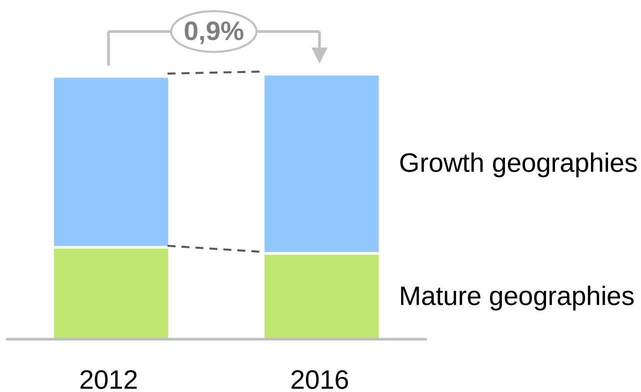
Our market share in LED is higher than in conventional

[1] Sales for competitors based on latest fiscal year [2] Source: customer panels, industry associations and internal analysis [3] Excluding Japan
[4] #1 position globally as nearest competitors play only on specific regions [5] Excluding Interior Lighting

We continue to be in the best position to capture value in the conventional market…

Conventional market will remain sizeable for many years…

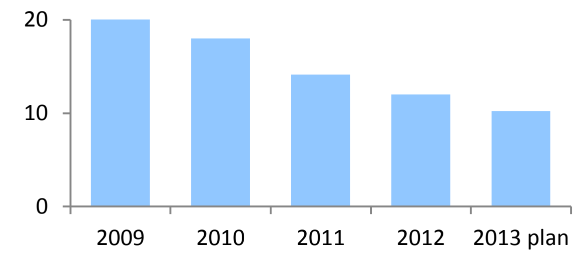
Global Conventional Light sources installed base[1]
In units x Bn



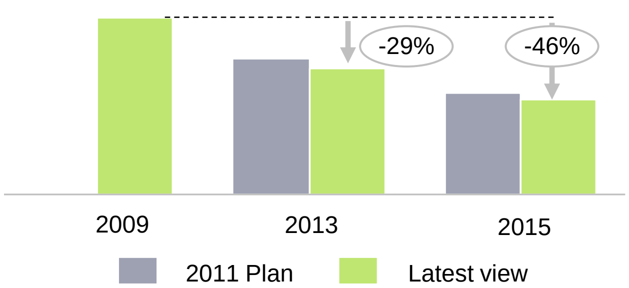
- Conventional market has a significant installed base and growing demand from growth geographies[3]
- Conventional market will represent around 50% of total lighting market revenue by 2016

Rationalizing our product portfolio by reducing number of SKUs in our conventional business

# of conventional SKUs[2] in portfolio



Pro-actively rationalizing our industrial footprint faster than sales reduction

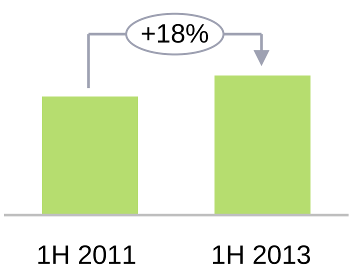


[1] Source: Philips Lighting global market study 2013
[2] SKUs = Stock Keeping Units
[3] Growth geographies are all geographies excluding USA, Canada, Western Europe, Australia, New Zealand, South Korea, Japan and Israel

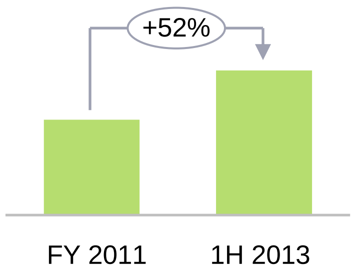
We are the leading LED lighting company

Increased R&D investment in LED leading to improved results

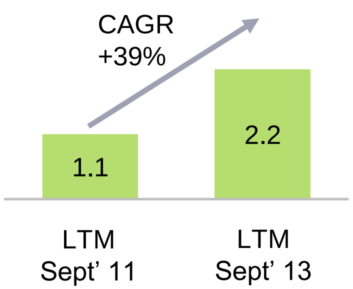
R&D spend LED
Indexed



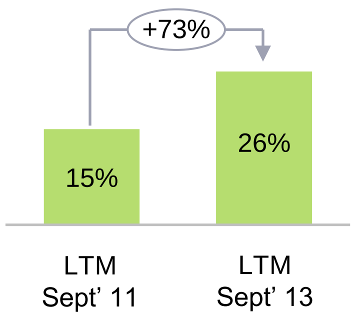
No. of SKUs[1] increased
Indexed



LED sales increase
(in EUR billion)



LED share of sales increases



Increased focus on LED products & portfolio developments

- We lead the technological revolution by investing significantly in LED R&D
- Total LED sales ~ EUR 1.6 billion YTD 2013
- LED revenue growth and cost productivity gains will improve profitability

Leveraging Intellectual Property

- Scope: LED Controls and Basic Optics
- Philips Lighting Patent Portfolio:

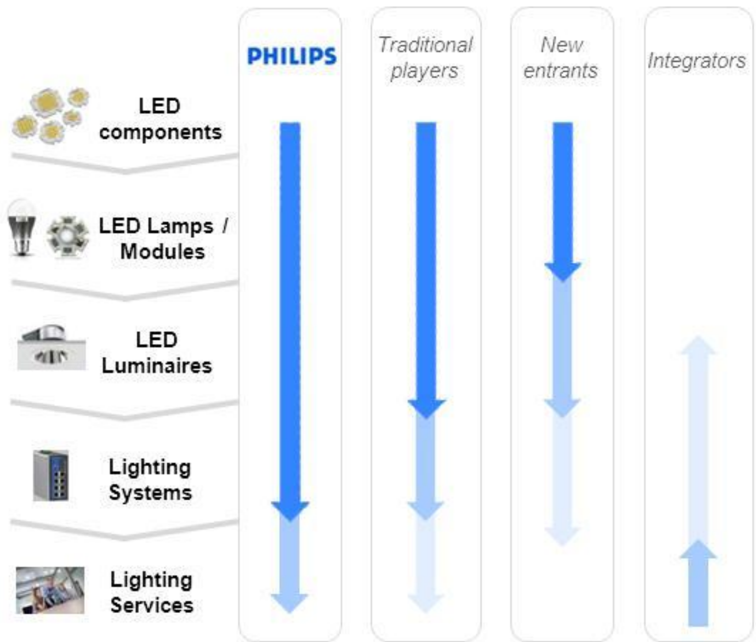
  - 85% LED and digital related
  - 15% Conventional related
- 1400 Rights licensed
- Licensing Program has already 325 licensees

[1] SKUs = Stock Keeping Units

… and we are shaping the future of Digital lighting

We have a unique competitive position in LED lighting

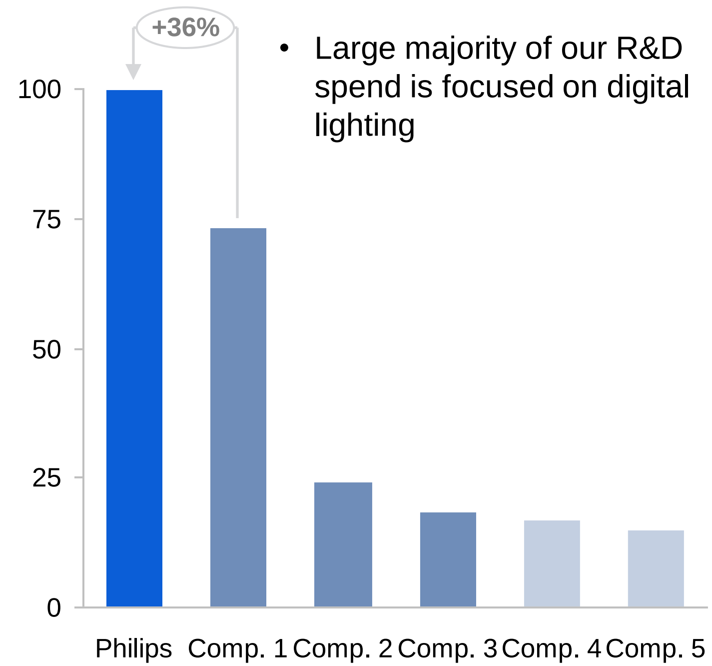
Market presence in the digital value chain[1]:



Strong presence
Developing presence

We spend 36% more on R&D than our closest competitor

Total Lighting R&D Spending Index (Philips = 100)[2]



- Large majority of our R&D spend is focused on digital lighting

[1] Source: 2012 Competitors' annual reports, LEDs magazine, LEDinside.com
[2] Source: 2012 Competitors' annual reports, Digitimes Research, March 2013, internal estimates, excluding General Electric and Japanese lighting companies for lack of data

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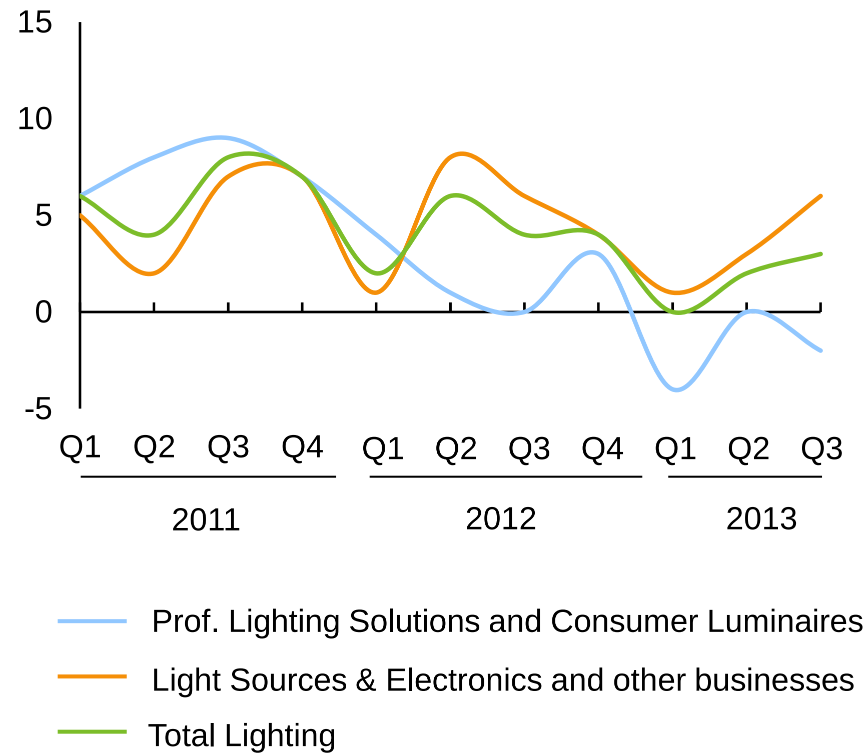
Weakness in non-residential construction markets in mature geographies dampens growth

Around 20% of Philips Lighting sales driven by New Build in Western Europe & North America (WE&NA)

Philips Lighting	New Build	Replace-ment	Total
Residential	**12%**	13%	25%
Commercial	**26%**	22%	48%
Other[1]	19%	8%	27%
Total	57%	43%	100%

New Build	WE&NA	ROW	Total
Residential	6%	6%	12%
Commercial	13%	13%	26%
Total	19%	19%	38%

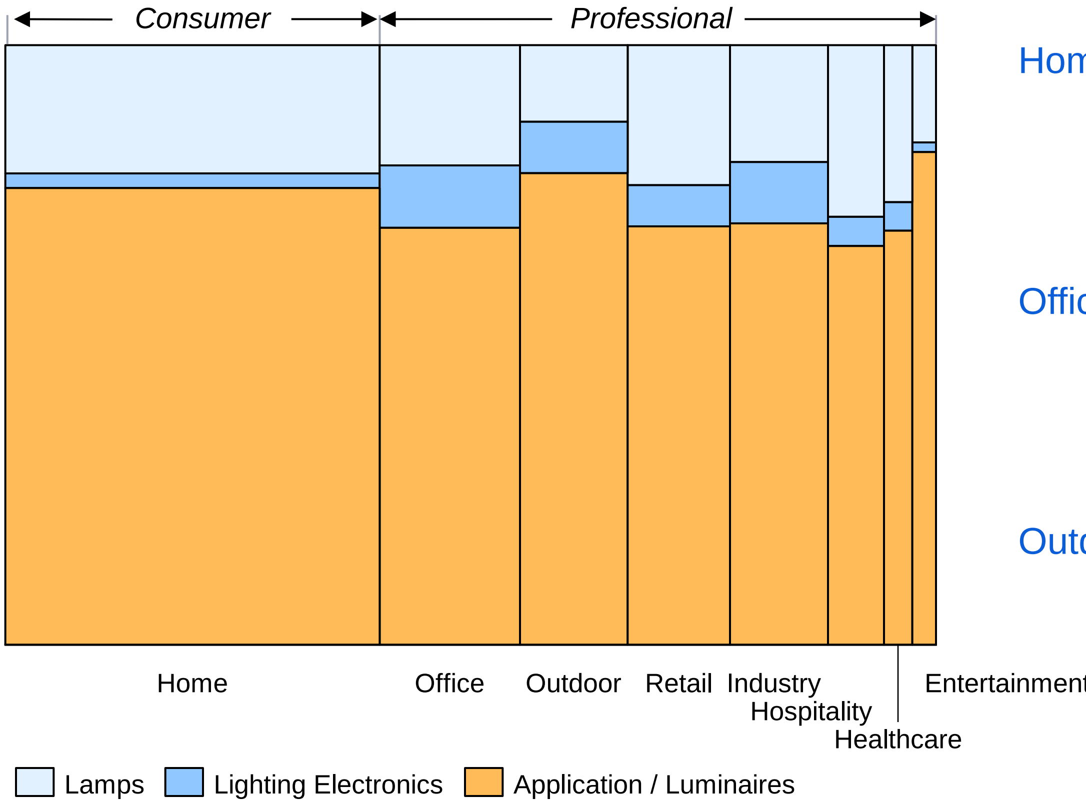
Comparable sales growth % 2011-2013



[1] Others = Automotive and Outdoor

Home, Office, and Outdoor are the biggest segments Professional is the largest channel

Total market size in 2012[1]: EUR 60-65 billion



Biggest segments

Home

Office

Outdoor

[1] General illumination (excludes Automotive)
Source: Philips Lighting global market study 2012

Innovation, Group & Services

Group Innovation

Philips Group Innovation encompasses Group Funded Research and Innovation, Design and Emerging Businesses

IP Royalties

Royalty/licensing activities related to the IP on products no longer sold by the sectors

Group and Regional Costs

Group headquarters and country & regional overheads

Accelerate! investments

Investments to support the transformation of Philips

Pensions

Pension and other postretirement benefit costs mostly related to former Philips' employees

Service Units and Other

Global service units; Shared service centers; Corporate Investments, stranded costs of TV and the Audio, Video, Multimedia and Accessories business, and other incidentals related to the legal liabilities of the Group

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Innovation, Group & Services: Q3 2013 Sector analysis

EUR million

Key figures

	3Q12	2Q13	3Q13
Sales	188	161	185
% sales growth comp.	*16*	*(14)*	*(7)*
EBITA:			
Group Innovation	(33)	(34)	(28)
IP Royalties	63	56	82
Group & Regional Costs	(38)	(34)	(33)
Accelerate! investments	(33)	(40)	(34)
Pensions	1	(1)	(32)
Services Units & Other	(9)	1	(15)
EBITA	(49)	(52)	(60)
EBIT	(50)	(54)	(61)
NOC	(3,707)	(3,414)	(3,108)
Employees (FTEs)	12,122	12,449	12,556

Financial performance

- Sales decreased marginally from EUR 188 million in Q3 2012 to EUR 185 million in Q3 2013.
- EBITA amounted to a net cost of EUR 60 million, including a EUR 31 million settlement loss arising from a lump-sum offering to terminated vested employees in our US pension plan. Net restructuring charges in Q3 2013 amounted to a release of EUR 1 million (Q3 2012: a net release of EUR 2 million). EBITA, excluding restructuring charges and the EUR 31 million pension settlement loss, improved by EUR 21 million compared to Q3 2012, mainly due to lower litigation and patent filing costs in IP Royalties.
- EBITA of Service Units and Other included EUR 19 million of net costs formerly reported in discontinued businesses (Q3 2012 included EUR 9 million related to the Audio, Video, Multimedia and Accessories business and EUR 3 million related to the Television business).
- Compared to Q3 2012, the number of employees increased by 434, primarily due to the centralization of Human Resource and Research activities, partly offset by restructuring activities in the Service Units.
- Net operating capital, excluding a currency translation effect of EUR 101 million, increased by EUR 498 million year-on-year, mainly due to an increase in the value of currency hedges.

Note - Prior-period financials revised for discontinued operations, the adoption of IAS19R and for restatements included in the Annual Report 2012 (please refer to the Annual Report section 12.10 “Significant Accounting Policies”)

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Appendix

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Publication and AGM dates 2014[1]

January 28	Fourth quarterly and annual results 2013
February 25	Annual Report 2013
April 22	First quarterly results 2014
May 1	Annual General Meeting of Shareholders 2014
July 21	Second quarterly and semi-annual results 2014
October 20	Third quarterly results 2014

[1] Subject to final confirmation

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Depreciation and amortization

EUR million

	Q3 2012	Q3 2013	FY 2011	FY 2012
Depreciation of property, plant and equipment	169	160	617	677
Amortization of software	10	9	55	45
Amortization of other intangible assets	112	98	559	458
Amortization of development costs	55	63	169	218
Philips Group	346	330	1,400	1,398

Note - Prior-period financials revised for discontinued operations, the adoption of IAS19R and for restatements included in the Annual Report 2012 (please refer to the Annual Report section 12.10 “Significant Accounting Policies”)

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Gross capital expenditures & Depreciation by sector

EUR million

	Gross CapEx[1]		Depreciation[1]	
	Q3 2012	Q3 2013	Q3 2012	Q3 2013
Healthcare	31	32	50	40
Consumer Lifestyle	32	33	27	24
Lighting	56	52	74	74
IG&S	25	20	18	22
Group	144	137	169	160

[1] Capital expenditures and depreciations on property, plant and equipment only

Note - Prior-period financials revised for discontinued operations, the adoption of IAS19R and for restatements included in the Annual Report 2012 (please refer to the Annual Report section 12.10 “Significant Accounting Policies”)

PHILIPS

Gross capital expenditures & Depreciation by sector

EUR million

	Gross CapEx[1]		Depreciation[1]	
	2011	2012	2011	2012
Healthcare	153	135	186	200
Consumer Lifestyle	130	128	91	104
Lighting	279	290	262	298
IG&S	78	108	78	75
Group	640	661	617	677

[1] Capital expenditures and depreciations on property, plant and equipment only

Note - Prior-period financials revised for discontinued operations, the adoption of IAS19R and for restatements included in the Annual Report 2012 (please refer to the Annual Report section 12.10 “Significant Accounting Policies”)

PHILIPS

Development cost capitalization & amortization by sector

EUR million

	Capitalization		Amortization	
	Q3 2012	Q3 2013	Q3 2012	Q3 2013
Healthcare	64	64	33	39
Consumer Lifestyle	8	9	8	7
Lighting	16	15	14	17
IG&S	-	7	-	-
Group	88	95	55	63

Note - Prior-period financials revised for discontinued operations, the adoption of IAS19R and for restatements included in the Annual Report 2012 (please refer to the Annual Report section 12.10 “Significant Accounting Policies”)

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Development cost capitalization & amortization by sector

EUR million

	Capitalization		Amortization	
	2011	2012	2011	2012
Healthcare	183	246	105	128
Consumer Lifestyle	37	37	32	39
Lighting	59	66	32	51
IG&S	3	14	-	-
Group	282	363	169	218

Note - Prior-period financials revised for discontinued operations, the adoption of IAS19R and for restatements included in the Annual Report 2012 (please refer to the Annual Report section 12.10 "Significant Accounting Policies")

PHILIPS

Restructuring, acquisition-related and other incidentals

EUR million

	1Q12	2Q12	3Q12	4Q12	**2012**	1Q13	2Q13	**3Q13**
Acq.-related charges	(5)	(4)	(4)	(5)	**(18)**	(3)	(2)	**(1)**
Restructuring	(4)	(4)	1	(109)	**(116)**	1	2	**-**
Other Incidentals	-	-	-	-	**-**	-	82	**-**
Healthcare	(9)	(8)	(3)	(114)	**(134)**	(2)	82	**(1)**
Acq.-related charges	(6)	(5)	(2)	(5)	**(18)**	(1)	-	**(1)**
Restructuring	(5)	(3)	(5)	(25)	**(38)**	-	(3)	**(4)**
Other Incidentals	160 [1]	-	-	-	**160**	-	1	**-**
Consumer Lifestyle	149	(8)	(7)	(30)	**104**	(1)	(2)	**(5)**
Acq.-related charges	(3)	(3)	(3)	(5)	**(14)**	(1)	(1)	**(2)**
Restructuring	(21)	(35)	(65)	(180)	**(301)**	(18)	(22)	**(34)**
Other Incidentals	(25)	-	(34)	(22)	**(81)**	-	10	**-**
Lighting	(49)	(38)	(102)	(207)	**(396)**	(19)	(13)	**(36)**
Restructuring	1	(40)	2	(19)	**(56)**	3	-	**1**
Other Incidentals	37	25	-	(445) [2]	**(383)**	-	6	**(31)**
IG&S	38	(15)	2	(464)	**(439)**	3	6	**(30)**
Total Acq.-related charges	(14)	(12)	(9)	(15)	**(50)**	(5)	(3)	**(4)**
Total Restructuring	(29)	(82)	(67)	(333)	**(511)**	(14)	(23)	**(37)**
Total Other Incidentals	172	25	(34)	(467)	**(304)**	-	99 [3]	**(31)**
Grand Total	129	(69)	(110)	(815)	**(865)**	(19)	73	**(72)**

[1] Sale of the Senseo trademark [2] Includes a EUR (313)M impact of the European Commission fine related to alleged violation of competition rules in the Cathode-Ray Tubes (CRT) industry and EUR (132)M of provisions related to various legal matters

[3] Includes a EUR 78M past-service pension cost gain in the US (EUR 61M in Healthcare, EUR 1M in Consumer Lifestyle, EUR 10M in Lighting and EUR 6M in IG&S) and a EUR 21M gain on the sale of a business in Healthcare

Note - Figures can be used to make the bridge between reported and adjusted EBITA numbers; prior-period financials revised for discontinued operations, the adoption of IAS19R and for restatements included in the Annual Report 2012 (please refer to the Annual Report section 12.10 “Significant Accounting Policies”)

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